M

Agri (1955) Dept.

Memo. no

69785 AIV/55-12

Past

Dated 27.1.56. (51)

the Madras Commercial Crops Markets Act 1933 - Application to Sowcars Kanara in respect of Arecanuts Coconuts and Copra — Representations from traders — Request to receive Deputation

# THE KANARA CHAMBER OF COMMERCE

P. O. BOX NO. 116 MANGALORE-1 (S. INDIA)

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

Date 27th July, 1955.

Regd. A.D.

SECRETARY
29 JUL 1955
AGRICULTURE DEPARTMENT

The Hon'ble Sri M. Bhaktavatsalam,
Minister for Agriculture,
Government of Madras,
Fort St. George,
MADRAS.

Sub: The Madras Commercial Crops Markets Act, 1933- Application to South Kanara in respect of Arecanuts, Coconuts & Copra- Representation from Traders- Request to receive Deputation.

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A Representation dated 26-7-1955 from traders in Arecanuts, Coconuts and Copra at Mangalore is forwarded to you herewith, which is self-explanatory.

The traders have resolved to wait on deputation with the Hon'ble Minister at Madras to explain matters personally.

Having regard to the importance of the subject-matter raised in the Representation, both to the traders and to the Government as well, the Chamber is of the opinion that it would be necessary and helpful if an opportunity is provided for the traders' representatives to meet you and place their case before you.

We therefore request you to be kind enough to fix up an early date for the deputation to meet you, and the date and time for the purpose may please be communicated to this Chamber very soon.

Thanking you,

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE.

Hon. Secretary.

SECTION ASSISTANT SECRETARY TO GOVERNMENT
30 JUL 1955
AGRICULTURE DEPARTMENT

Encl: 1.
Copy to:-
1) The Secretary to the Govt. of Madras, Agriculture Department, Madras.
2) The Director of Agriculture, Madras.
3) The State Marketing Officer, Madras.

M E M O R A N D U M

TO

THE HON'BLE SRI M.BHAKTAVATSALAM,

MINISTER FOR AGRICULTURE, GOVERNMENT OF MADRAS,

MADRAS.

Sir,

Sub: The Madras Commercial Crops Markets Act,1933,The Madras Commercial Crops Markets Rules,1948 & the Bylaws of the S.K.Market Committee, Mangalore- Application to Arecanuts,Coconuts & Copra- Repeal of Notifications requested Representation- Deputation.

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We, the under-signed dealers in Arecanuts, Coconuts and Copra at Mangalore in South Kanara district beg to make the following representation:-

2- The various difficulties and hardships experienced as a result of the enforcement of the Madras Commercial Crops Markets Act,1933 in respect of Arecanuts,Coconuts and Copra have been agitating in our minds and the need to impress upon the State Government the desirability of repealing the notifications and abolishing the South Kanara Market Committee has been engaging our attention since a long time. In furtherance of this proposal, the dealers have, at their meeting held on 22-7-1955, unanimously passed a resolution requesting the Government to withdraw the present scheme of regulated markets for Arecanuts,Coconuts and Copra in South Kanara. The Resolution reads as follows:-

A

" WHEREAS the object of the establishment of Regulated Markets for Arecanuts,Coconuts and Copra purports to be the improvement of the marketing of these crops and thereby benefit the growers and WHEREAS marketing of these crops in South Kanara has been carried on in a most satisfactory manner and further WHEREAS the growers in South Kanara are of the view that the scheme of Regulated Markets is not in any way an improvement from the prevailing marketing methods, but on the contrary an unwarranted interference on the part of the Government in the normal trade activities by imposing restrictions by regulations and licences, this meeting of the traders in Arecanuts,Coconuts and Copra, after consideration of all the aspects of the application of the Madras Commercial Crops Markets Act,1933 is unanimously

of the opinion that the application of the said Act, the Regulation of the Market and the existence of the Market Committee are unnecessary and uncalled for and detrimental to the interests of the growers and traders. The Traders therefore request the Government to rescind the notifications that brought Arecanuts, Coconuts and Copra, under the purview of the Act."

3. In submitting the above Resolution for the kind consideration of the Government, we beg to place before you the following facts:-

(1) It may be recalled that when the Government notified their intention to apply the Act to Arecanuts, the growers represented by the South Kanara and Coorg Areca Growers Union and the South Kanara Agriculturists Co-operative Marketing Society Ltd., had sent their objections and had vehemently protested against the application of the Act to Arecanuts in South Kanara. In fact at the first meeting of the South Kanara Market Committee held on 28-9-1950, the grower-members of the Committee nominated by the Government also made an emphatic protest. The reasons advanced by the growers were that they are completely and entirely satisfied with the present system of marketing of Arecanuts and that they being fairly well organised and in a position to protect their interests, require no assistance from the Government or interference by any other Agency.

(2) The All-India Supari(Betelnut)Federation, another organisation of the growers and the Co-operative Conference held at Mangalore in April 1952 had also resolved that there was no need for any Market Committee and had requested the Government to withdraw the present scheme of regulated markets.

(3) On several occasions in the past, the Kanara Chamber of Commerce, Mangalore on behalf of the traders had apprised the Government with all facts pertaining to the local trade and prevailed upon them to seriously consider the necessity of withdrawing the regulated market scheme. Added

to this, representations were also made personally by the representatives of growers and traders including the Members of the Market Committee to the Director of Agriculture, Madras during his visit to Mangalore on 7-10-1950 and 22-2-1951.

(4) The objects of the Act are stated to be (i)to provide regulation of buying and selling, (ii) to ensure that the grower realises better price for his produce by holding auctions, (iii) to get benefit of correct weight and (iv) to have freedom from unauthorised and illegal deductions by traders. So far as trade in South Kanara is concerned, the growers have no grievance at all with regard to weights, commission etc., as the weights maintained by the traders are most accurate and commission charged is reasonable. There is no deductions, unauthorised or illegal. The traders are licensed under the Madras General Sales Tax Act which prohibits them from making any unauthorised deductions. Sales are held by a system of auctions and goods are sold to the highest bidder at the instance of the growers. There has not been a single complaint against the traders on any of these counts. On the whole it can be said that the growers get a better price for their produce, the market practices have been regulated to suit their requirements and the market charges have been uniform and reasonable.

(5) It should therefore be apparent that the existing system of Marketing of Arecanuts is working smoothly to the entire satisfaction of all concerned including growers and when the relationship between them and the traders is so cordial no interference by the Government is called for.

(6) The enforcement of the Act, the Rules and the Bylaws imposes on traders several restrictions and obligations by requiring them to obtain licences and submit weekly returns regarding stock and other particulars. Disclosure of a trader's stock position is always detrimental to his interests.

All these restrictions and requirements have created nothing but inconvenience and hardship not to speak of the heavy expenses incurred.

(7) Restrictions on the trade in respect of any commodity should not be imposed unless public interests demand the same. How the public interest had suffered before the application of the Act to Arecanuts and other crops in South Kanara is not known to anybody.

(8) The South Kanara Market Committee has been functioning for the last 5 years and the Government ought to be now in a position to assess the usefulness or otherwise of the Committee. Mangalore annually exports 2,00,000 cwts.of Arecanuts valued at Rs. 4 Crores and it is significant to note that out of this quantity, the Market Committee attracted to its market yard only about 900 cwts valued at less than Rs. 2 lakhs and this, inspite of the fact that the Market Committee does not charge any commission. It is thus evident that the Committee has not been patronised by the growers.

(9) It should be therefore clear from the above that the existing safeguards are sufficient and even without the application of the Act, the growers are having the advantages which the Government seek to confer by the enforcement of the Act.

(10) Whatever may be the necessity for the application of the Act to South Kanara district, it is the unanimous opinion of the growers and traders that in so far as this district is concerned, the application of the Act to Arecanuts, Coconuts and Copra and the constitution of a Market Committee has not served any useful purpose and there is no justification to ignore the serious opposition of the growers and traders and force on them an unwanted measure.

(11) The validity of the several provisions of the

Act is highly doubtful and have been challenged in Courts of Law.

In the above circumstances, after very careful consideration of all the aspects of the Regulated Market Scheme, we have to stress that the commodities concerned and the existing trade practices are such that the extension of the Madras Commercial Crops Markets Act, 1933 is unwarranted and is bound to disturb the present smooth relationship between the growers and traders. In view of this position, we urge that the Government may be pleased to repeal their notifications.

## DEPUTATION

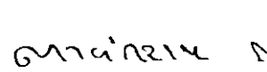
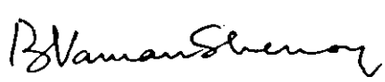
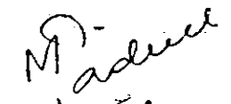
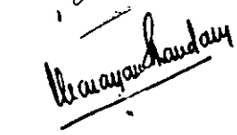
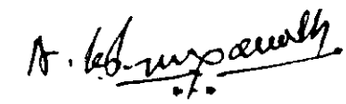
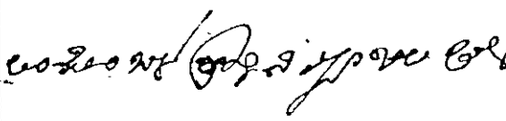
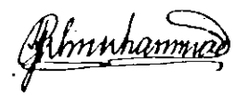
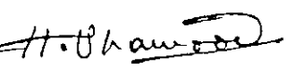
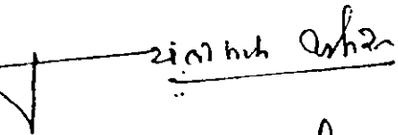
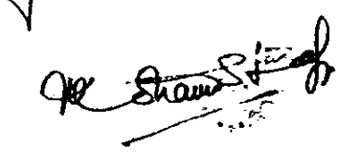
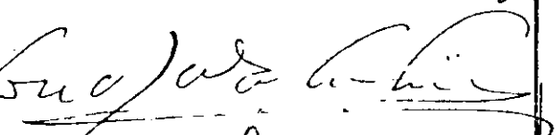
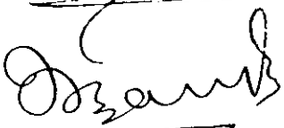
In submitting this representation, we feel that a deputation on our behalf should wait on the Hon'ble Minister to explain our grievances, to facilitate appropriate consideration of this Memorandum. It is therefore requested that you may be pleased to receive our deputation and fix up an early date convenient to you for the purpose. Heads of Departments concerned with the subject-matter may also be asked to be present at the time, if necessary. The date and time fixed to receive the deputation may kindly be intimated to the Kanara Chamber of Commerce, Bunder, Mangalore.

We shall be grateful for a very early reply. Thanking you,

MANGALORE,
26-7-1955.

Yours faithfully,

| | Signature. | Name of the trader |
|---|---|---|
| 1. | M. Krishna Babu | Shambulal Nathalal & Co. |
| 2. | | Annappa Subraya Nayak & Co. |
| 3. | | Sha Vajeshanker Vasudev & Co. |

| | Signature | Name of the trader |
|---|---|---|
| 4. |  | Bhikabhai Prabhudas Parekh & Co. |
| 5. |  | Basty Rama Keshava Shanbhogue & |
| 6. |  | Padival & Sons. |
| 7. |  | P.N.V.Bhandary & Sons. |
| 8. |  | K.Appaya Shanbhogue & Co. |
| 9. | | S.K.Agriculturists Co-operative Marketing Society Ltd. |
| 10. |  | A.Srinivas Nagappa Churya. |
| 11. |  | Haji Gul Mohamed. |
| 12. |  | Haji M.Moidinabba V.Hussainkunhi. |
| 13. |  | Sha Jayanthilal Khetsi. |
| 14. |  | P.B.Hussainkunhi & Co. |
| 15. | | Karnataka Vyavasaya Vartaka Sangha Ltd. |
| 16. | | Basty Devappa Shenoy & Bror Ltd. |
| 17. |  | Dada Haji Ebrahim Halari. |
| 18. |  | B.M.Hassan Haji Moidin. |
| 19. | | Ullal Hari Vaman Nayak. |
| 20. | | R.Gupta. |

| | Signature. | Name of the trader. |
|---|---|---|
| 21. | | Ullal Madhava Nayak. |
| 22. | | Jai Hind Trading Co.(Canara)Ltd. |
| 23. | | M.Nemiraja Padival. |
| 24. | | Sha Prabhulal Nemchand & Co. |
| 25. | | S.Devaraya Ranga Kamath. |
| 26. | | |
| 27. | | |
| 28. | | |
| 29. | | |
| 30. | | |
| 31. | | |

2 drafts

13

Agre (A IV)

A IV (G)

Please today
copy at 3.45
1/2.8.55

If given for 12
make time to
3.25 PM.

1/8/55

cc Letter No. 69785 A/B IV/55-1 d 2.8.55

To

The Honorary Secretary,
The Kanara Chamber of Commerce,
P.O. Box No. 116, Mangalore.

Sir,

Sub:- Enforcement of the Scheme of regulated markets in South Kanara Dt.

Ref:- Your letter d. 27/7/55 addressed to the Minister for Agre., Madras. etc.

I am directed to acknowledge the receipt of your letter cited together with the Memorandum sent therewith and to state that the Minister for Agriculture has fixed 1-30 P.M. on Monday the 8th August 1955 for interviewing the members of the deputation from Mangalore and I am to state that it would be enough if only select members of the trade and representative growers comprise the deputation.

Minutes of IV(A) on p 1

The interview will take place at the room of the Minister for Agre. in Secty., Fort St. George for Specific approval

2/8/55

2/8/55

Y.F.

Copy to the D.D.
" P.A. to M (A)

2/8/55

2/8/55

7.8.55

Agre (B IV).

Dr. No. 69785-B IV/55-2 d. 2.8.55

Please see today
2.8.55

Sub:- Marketing
Enforcement of the scheme of regulated markets in South Kanara Dt.

Ref:- (1) From the Kanara Chamber of Commerce, letter d. 27/7/55 addressed to the Minister for Agre. & copied to you & the State Marketing Officer.

(2) Govt's Dr. No. 69785 B IV/55 d. addressed to the South Kanara Chamber of Commerce.

I am to enclose a copy of the 2nd letter secondly cited and to request you to kindly ~~make it convenient to be present at the time of the~~ during the deputationists interview with the M(A)E at 11.30 A.M. on Monday the 8th August 1955 ~~when the Qn. of enforcement of the provisions of the Mkg. Act relates to the South Kanara Dt. will come up for discussion.~~

cf A' file, pp. 1-2 ante

for type: the deputationists will be known to us

Dra by SM

8/8/55

Y.S.

2/8/55

Sri MS Sivaraman, Jcs.,
Director of Agre. (with copy for in draft I ante p 1 above).
Copy to the D.A. to the D.A.

Dra by SM
2.8.55

MEMORANDUM

to

THE HON'BLE SRI.M.BHAKTAVATSALAM,
MINISTER FOR AGRICULTURE, GOVERNMENT OF MADRAS,
M A D R A S.

SECRETARY 9-AUG 1955 AGRICULTURE DEPARTMENT

THIRD ASSISTANT SECRETARY TO GOVERNMENT 8-AUG 1955 AGRICULTURE DEPARTMENT

Sub: MADRAS COMMERCIAL CROPS ACT - SOUTH KANARA MARKETS COMMITTEE.

In addition to the Memorandum already submitted, we also invite your kind attention to the following aspect of the trade and urge upon you to consider as to whether the Notification declaring the whole district of South Kanara as a Notified Area may not be modified so as to exclude at least Mangalore Town from the operation of the Act.

1. Mangalore being a Port Town, it is the throat through which inter-state and inter-national import and export trade and commerce passes. Firms engaged in inter-state and inter-national trade have their offices in Bunder in Mangalore Town. "Chol Arecanut" is a commodity that is exclusively produced for the purpose of export to Bombay and other States in Northern India. It is not consumed in South Kanara or any other part of Madras State. For the purpose of export to Bombay etc., the producers consign the "Chol" nuts to established warehouses in Mangalore-Bunder. On receipt of the consignments separate lot numbers are assigned to each consignment with weight noted and entered in the account books and the consignors are intimated. The

warehouse keepers sell the nuts by auction under closed bid to approved shippers who actually ship the "chol nuts" to Bombay or other Ports in Northern India. The warehouse keepers pay the sale proceeds to the consignors and they - charges only an agreed fixed sum for their remuneration - for services and all incidental charges like warehousing, cartage, weighing etc. The grower-producer takes no part in the deal between the warehouse-keeper and the shipper. Normally only one single transaction of sale takes place in Mangalore-Bunder after the arrival of goods and that is done by the Commission-Agent-cum warehouse-keeper to the shipper. It is between two expert traders and the fear of the grower being at a handicap and the danger of his being duped does not arise at all in these circumstances. There are in all about 20 Commission-agent-cum-warehouse-keepers and amongst them are the South Kanara Agriculturists Co-operative Whole-sale Marketing Society Ltd., and the Karnataka Vyavasaya Varthaka Sangha Ltd. These two institutions controlled by the growers market about one third or even a little more of the total produce of the District. The object of a Regulated Market is to protect the growers in a Market when the dealings are between the growers and the merchants. In Mangalore-Bunder there is no such trade.

2. Several representations have been made on prior occasions to exclude South Kanara from the operation of the Notification. We regret to state that the Government have unfortunately not examined the question from the proper angle. It is undisputed that the By-laws of the Committee restrict the freedom of trade and so far

as the instant case is concerned, they restrict the freedom of inter-state trade. Freedom of trade being necessary for the well-being of the Nation, our Constitution has guaranteed that freedom and only such restrictions as are necessary in public interests could be imposed. Have the Government examined the question as to how far the restrictions are necessary and what is are the public interests that these restrictions are intended to serve? The Areca-growers have throughout pointed out to the Government that the application of the C.C.Markets Act is unnecessary and does not serve any useful purpose. If reasons of State Policy stand in the way of the Government revoking the Notification, it would be more appropriate for the Government to constitute an impartial committee, preferably consisting of the District Collector and the Local Legislators to enquire and report as to the necessity for Notifying "Mangalore Town" as a Notified Area for the purposes of Arecanuts and Cocoanuts and then implement the recommendations of the said committee.

M A D R A S,
8th Aug.1955.

Yours faithfully,

Bhanubhulal Mathaselb
P. N. V. Bhandary & Sons.

M K Prabhu
Mangalore Bandary

Butte Rama Kotharee
Shanbhogue & Co.

B. Vaman Shenoy.

P. Lakshminarayana Rau
Secretary
The S.K.A.C. Co-operative Society Ltd.

P. Lakshminarayana Rau

Arecanut Buyers & Sellers
Mangalore.

23

Agro. (A IV)

Receive today
8874
11.8.55
12

D.O. No. 69785 A IV/55-3d. 11.8.55

Sub:— Marketing — Enforcement of the Scheme of regulated markets in South Kanara Dt.

Ref:— (1) Ltr. from the Kanara Chamber of Commerce, Mr. dated 27/7 addressed to the Minister for Agre
(2) My D.O. No. 69785 A IV/55-2 dated 2/8/55.
(3) Memorandum presented to the Minister for Agre. by the deputation from Mangalore (Copy enclosed)

I am to invite attention to the correspondence cited and to request you to offer your remarks in consultation with the Collr. of South Kanara on the various points raised in the references first and third cited.

Yours faithfully,

Sri M.S. Sivaraman, I.C.S.,
Director of Agriculture
(with copy of pp. 19-21 cf)

Copy to the Collr. of S. Kanara
(with copy of pp. 3-11 & 19-21 cf)

R. 28/8/55

CENTRAL EXPENDITURE BRANCH
Date 10/8/55
Dispatcher's Initials
Date 19

10/8/55
10.8.55

11/8/55

pp 25
Absent

MANGALORE,

D/12-8-1955.

To

The Hon'ble Sri M. Bhaktavatsalam,
Minister for Agriculture,
Government of Madras,
Madras.

Sir,

Sub: Madras Commercial Crops Markets Act, 1933
South Kanara Market Committee.

Ref: Memorandum presented to you at 1-30 P.M., on 8-8-55 by the Deputation of traders in Arecanuts, Coconuts and Copra from Mangalore.

We, the under-signed Members of the Deputation that met you on 8-8-55 at 1-30 p.m., beg to invite your kind attention once again to the Memorandum presented to you on the above subject, on the occasion.

In para 2 on page 1 of the said Memorandum, the words "Choli Arecanut" wherever they exist should be read as "Chali Arecanuts" which mean the dried Arecanuts produced for sale and export from Mangalore to places outside the State of Madras. This alteration may please be noted.

Yours faithfully.

1. P. Lakshminarayana Rao
2. B. Vamanshenoy.
3. Narayan Bandary
4. M. Krishna Prabhu

Agre. (A IV)

Endt. No. 69785 A IV/55-4 d. 22.8.55

Communicated to the D.A. & the Collr. of S. Kanara in Continuation of D.O. No. 69786 A IV/55-3 dt. 11/8/55 above Agre.

To the D.A.
" Collr. of S. Kanara } with copy of letter above.

M E M O R A N D U M.
**********

TO

THE HON'BLE SRI M.BHAKTAVATSALAM?
MINISTER FOR AGRICULTURE, GOVERNMENT OF MADRAS.

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Sir,

SUB: The Madras Commercial Crops Markets Act 1933, The Madras Commercial Crops Markets Rules, 1948 and The Bylaws of the S.K.District Market Committee, Mangalore - Application to Arecanuts, Cocoanuts and Copra - Repeal of Notifications - Requested-Representation.

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We, the undersigned members of the Kanara Chamber of Commerce, dealers in arecanuts, cocoanuts and copra at Puttur Taluk in South Kanara District, on behalf of all the dealers in this Puttur Taluk, beg to make the following representation :

The various difficulties and hardships experienced as a result of the enforcement of the Madras Commercial Crops Markets Act, 1933, in respect of Arecanuts, Cocoanuts and Crops markets Act, 1933 in the respect of arecanuts, cocoanuts and Copra have been agitating our minds and the need to impress upon the State Government the desirability of repealing the notifications and abolishing the South Kanara Market Committee has also been engaging our attention since a long time, in which connection, the dealers of this Taluk have, at their meeting held on 31-7-1955, unanimously passed a resolution requesting the Government to withdraw the present scheme of enforcing the Madras Commercial Crops Markets Act, 1933, through the S.K.Market Committee for regulating markets in respect of arecanuts, cocoanuts and copra in South Kanara. The resolution reads as follows :-

"WHEREAS the object of the establishment of Regulated Markets for arecanuts, cocoanuts and copra, purports to the improvement of the marketing of these crops and thereby benefit the growers and WHEREAS marketing of these crops in South Kanara has been carried on in a most satisfactory manner and further WHEREAS the growers in South Kanara are of the view that the scheme of Regulated Markets is not in any way an improvement from the prevailing marketing methods, but on the contrary an unwarranted interference on the part of Government in the normal trade activities by imposing restrictions by regulations and licences, this meeting of traders in arecanuts, cocoanuts and Copra, after consideration of all the aspects of the application of the Madras Commercial Crops Markets Act, 1933, is unanimously of the opinion that the application of the said Act, the Regulation of the Markets and the Existence of the Market Committee are unnecessary and uncalled for and detrimental to the interests of the growers and traders. The traders therefore request the Government to rescind the notifications that brought arecanuts, cocoanuts and copra under the purview of the Act."

In submitting the above resolution for the kind consideration of the Government we beg to place before you the following facts :-

1. It may be recalled that when the Government notified their intention to apply the Act to arecanuts, the growers represented by the South Kanara and Coorg Areca growers union and the South Kanara Agriculturists Co-operative Marketing Society Ltd., had sent their objections and had vehemently protested against the application of the Act to arecanuts in South Kanara. In fact at the first meeting of the South Kanara Market Committee held on 28-9-1950, the grower-members of the Committee nominated by the Government also made an emphatic protest. The reasons advanced by the growers were that they being fairly well organised and in a position to protect their interests, do not require the assistance from the Government or interference by any other Agency.

2 The All-India Supari (Betelnut) Federation, another organisation of the growers and the Co-operative Conference held at Mangalore in April 1952 had also resolved that there was no need for any Market Committee and had requested the Government to withdraw the present scheme of regulated markets.

3. On several occasions in the past, The Kanara Chamber of Commerce, Mangalore, on behalf of traders had apprised the Government with all facts pertaining to the local trade and prevailed upon them to seriously consider the necessity of withdrawing the regulated market scheme. Added to this, representations were also made personally by representatives of growers and traders including the members of the Market Committee, to the Director of Agriculture, Madras, during his visit to Mangalore on 7-10-1950 and [illegible]-1951.

4. The objects of the Act are stated to be (i) to provide regul tion of buying and sellin , (ii) to ensure that the growers will realise better price for their produce by holdin auctions, (iii) to get benefit of correct weight and (iv) to have freedom from unauthorised and illegal deductions by traders. So far as South Kanara district is concerned, the growers have no grievances at all with regards to weights etc., In this district there is no shandy system of trade as in practice in other districts and States. Instead, free and direct trade between growers and traders, is running smoothly. Such transactions are based on the prevailing competative market rates at Mangalore - the Marketing Centre of this district - where daily sales are held on large scales, in the best and unquestionable way. The daily market rates of all commodities, particularly of arecanuts, are punctually and correctly published in various and widely circulated vernacular papers which reach even the farthest corner of the district within a shortest time. Besides, telephone connections have been provided to all the taluk head quarters and added to this, South Kanara District has got the cheapest and most efficient transport facilities. There are daily goods services to and fro allover this district. On the whole the growers' interests are guarded to the full extent and satisfaction of each and every one and it can be said without any hesitation that the growers in this district get a better price for their produces because of the above detailed facts.

5. It should therefore be apparent that the existing system of Marketing of arecanuts is working smoothly to the entire satisfaction of all concerned including growers and while the relationship between them and traders is so cordial, no interference by the Government is called for.

6. There are large number of traders as well as curer

traders in this taluk and the majority of such traders are illeterate and their turnover will not exceed the taxable limit under the M.G.S.T.Act, because of their poor financial position, and it is not practicable for such traders to bear the expenses to maintain staff etc., for maintaining the proper books and submitting returns.

7. The majority of such traders are buying ripe nuts from the growers and cure them and then sell to other traders. By this, several poor families live in this taluk and their turnover does not even come to the taxable limit under theM.G.S.T.Act. In the present critical period of unemployment, there is every necessity of protecting the interests of such poor traders.

8. The enforcement of the Act, the Rules and the By-laws imposes on traders several restrictions and obligations by requiring them to obtain licenses and submit weekly returns regarding stocks and other particulars. Disclosures of trader's stock position is always detrimental to his interests. All these restrictions and requirements have created nothing but inconvenience and hardship not to speak of theheavy expenses incurred.

9. Restrictions on the trade in respect of any commodity should not be imposed unless public interests so demand. How the public interests had suffered before the application of the Act to Arecanuts and other crops in South Kanara is not known to anybody.

10. The South Kanara Market Committee has been functioning for the last 5 years and the Government ought to be now in a position to assess the usefulness or otherwise of the Market Committee. It is significant to note that all these years, in spite of the fact that the Market Committee does not charge any commission, it could attract only a nominal quantity of arecanuts which does not count at all to its marketing committee. It is thus evident that the committee has not been patronished by the growers.

11. It should be therefore clear from the above, that the existing safeguards are sufficient and even without the application of the fact, the growers are having better advantages than what the Government intends to confer by the enforcement of the Act.

12. Whatever might have been the reasons for the necessity for the application of the Act to South Kanara Districts, it is the unanimous opinion of the growers and traders that in so far as this district is concerned, the application of the Act to Arecanuts, cocoanuts and copra and the Constitution of a market Committee has not served any useful purpose and there is no justification to ignore the serious opposition of the growers and traders and force on them an unwanted measure and system of trading.

13. The validity of the several provisions of the Act is highly doubtful and have been challenged in Courts of Law.

14. Finally, the enforcement of the said Act will undoubtedly ruin the entire trade and the entire trade will go into the hands of only a few dealers having large capitals and thus the recent announcement of Socialistic pattern Scheme will prove futile. Apart from this, there is the grave danger of decline in the functioning of close contact and friendship between the growers and traders, which fact should also be considered seriously in the best interest of preserving the amity between a large section of people. The continuance of the Act and rules are likely to jeopardise the trade in areca and

the good relationship between grower and trader will decline if steps are not taken now itself to remedy the evil.

We learn that the South Kanara and Coorg Areca Growers Union have also submitted similar representations to the Government requesting the necessity of withdrawing the Market Committee Scheme as far as South Kanara District is concerned.

We have authorised Sri K.V.Shenoy, Puttur (South Kanara) to correspond and communicate in this respect.

We shall be grateful for a very-early reply.

Thanking you,

PUTTUR, S.K.
D/-20-8-1955

Yours faithfully,

1) for K.S.Shenoy & Co.,
K. V. Shenoy

2) for P.Appanna Prabhu & Sons,
K. Mukunda Prabhu

3) for Y.R.D.Shanbogue & Sons,
Y. Narayana Shanbhag

4) for P.G.Pai and Sons,
P. G. Pai & Sons

5) for M.G.S.Kamath,
M. G. Kamath

6) for G.Devanna Krishna Kini,
G. Subraya Kini

7) for K.Pakru Hajar,
K. Pakru Hajar

8) for H.Vinayak Achutha Nayak,
H. Vinayak Nayak

Copy to :
1. The Secretary to the Government of Madras, Agriculture Department, Fort St. George, Madras.
2. The Director of Agriculture, Madras.
3. The State Marketing Officer, Madras.
4. The Collector of South Kanara, Mangalore.
5. The Kanara Chamber of Commerce, Mangalore.
6. All M.L.As of South Kanara District.
7. All Parliament Members of South Kanara District.

# THE SOUTH KANARA & COORG ARECA GROWER'S UNION

PUTTUR, S. K.

ದಕ್ಷಿಣ ಕನ್ನಡ ಮತ್ತು ಕೊಡಗು
ಅಡಿಕೆ ಬೇಸಾಯಗಾರರ ಸಂಘ,
ಪುತ್ತೂರು, ದ. ಕ.

Ref No. T/38

24th August 1955.

The Hon'ble Sri. M.Bhaktavatsalam,
Minister for Agriculture,
Madras.

Sir,

Sub: Representation of the Union - regarding the S.K.Market Committee.

On the subject of Madras Commercial Crops Markets Act in relation to South Kanara, the Union is submitting the Memorandum hereto for your kind consideration.

In this connection, I invite your attention to the fact that less than ½% of arecanuts come to the Marketing Yard of the Committee inspite of intensive propaganda during the last five years.

Under these circumstances, the Government may be pleased to withdraw "arecanuts" from the scope of the M.C.C.Markets Act in its application to South Kanara.

Pray for orders accordingly.

Yours faithfully,

For The South Kanara & Coorg
Areca Growers' Union,

Hon. Secretary.

Memorandum submitted to

The Hon'ble Sri. M.Bhaktavatsalam,

Minister for Agriculture, Government of Madras,

By

The South Kanara And Coorg Growers' Union, Puttur.

Sir,

Sub: The Madras Commercial Crops Markets Act - Rules framed thereunder - the bylaws of the S.K.Market Committee - application to arecanuts Repeal urged.

On behalf of areca growers, the Union desires to make the following representation on the desirability of withdrawing the application of the Madras Commercial crops Markets Act to arecanuts in this district. This Union is the sole representative body of areca growers in this district and Coorg State. It has been recognised as such for the last 10 years by the Central and the State Governments.

2. The scheme of the Act suggests that it is intended to give better facilities and opportunities to the growers to market their own produce. With this object in view, it envisages the setting up of a separate and exclusive market yard for the sale of produce grown in the notified area; prescribing marketing practices by a system of licensing; providing warehouses, insurance etc; opportunity for direct sale by grower of his produce; and a system of auctions to be availed of by the growers for the sale of their produce.

3. All these facilities are available in Mangalore since a very long time. Mangalore arecanut market is a well-developed one, with about 20 commission agents, who act as agents of growers for the sale of produce. The purchasers from Bombay and other places in North India come here and purchase the produce from these commission agents. Ten or twelve purchasers will come to a commission agency and effect purchases, on a fixed day. Samples will be brought forth for inspection; after inspection the Commission agent will ask each one of the purchasers to give their bids separately in secret; the bid of one will not be known to another; if the price offered is satisfactory, the commission agent will sell it to the highest bidder; otherwise the lot will be withdrawn By this system the purchasers each time would give their

highest bids, lest the lot should go to another. This ensures a very fair price to the grower. If sale is effected, then in the presence of all the prersons the price and lot number with the name of the purchaser is entered in a book kept for the purpose.

4. The commission agent in his turn has to provide storage, insurance, weighment, incidental loading and unloading also for the agreed commission. There is no scope for unauthorised deductions etc. in view of stringent provisions in this regard in the sales tax act for the regulations of commission agency, by licenses. Besides, the success and reputation of a commission agency depends on the price the agency is able to secure to the grower. Most of these agencies are very well established, old and reputed institutions.

5. Arecanuts are harvested from 15-th November to the end of March, at intervals of about 40 days. Drying and peeling take about 6 weeks and between January and May most of the produce is brought to Mangalore, for sale. Although the grower sells produce in particular months of the year, for cultivation expenses and household requirements he wants money throughout the year. The Commission agency provides finances for the purpose. This credit facility is one of the very important links in agricultural production. Once the market Committee is fully established, the present financing source will dry up and there will be no substitute left.

6. At present the purchasers in Mangalore market do not know the actual stock position of commission agencies. The agencies have better information and in a better bargaining position than the purchasers. Once the Market Committee secures full and complete returns, the stock position will be known to purchasers also and the bargaining advantage will be lost.

7. There are various grades and qualities in arecanuts due to differences in soil conditions, irrigation facilites, other climatic factors and care in drying. Only an expert can judge the grade and quality. Growers themselves are not acquainted with all these. The purchasers and commission agents are experts in the field and transactions between these experts is beneficial to growers; but for such

experts the growers will loose. The Market Committee cannot provide such expertise. This is a very important factor in Mangalore arecanut market and such experts are indispensable.

8. Over and above these, the South Kanara Agriculturists Co-operative Marketing Society Ltd., Mangalore, is a society of growers themselves and it controls about a third of the trade in arecanuts. The K.V.V.Sangha ltd., is also a company with shareholders and managing personnel drawn exclusively from growers.

9. This Union and the nominated members of the S.K. Market Committee representing growers have always insisted upon the withdrawal of arecanuts from the scope of the Act in this district.

10. The licensing provisions, rules and regulations hamper free trade; there are no countervailing advantages. On the other hand, as all the arecanuts are exported to Bombay and places outside the Madras State, these restrictions, we are afraid, may in the long run remove the trade entirely outside the frontiers of this State. Such removal will not be conducive to the well-being of arecanut growers.

11. Under these circumstances, a review of the activities of the Market Committee during the last 5 years, ever since it was introduced, will show that growers have not been even tempted to avail themselves of the Committee's facilities. The conduct of growers is eloquent testimony to their practical wisdom and aversion to the application of the Act.

12 We therefore urge that the working of the Act in South Kanara with regard to arecanuts may be throughly examined keeping in view growers interests. Such investigation, we are sure, will satisfy the Government that arecanuts should be removed from the scope of the Act in South Kanara.

13. It is therefore submitted that arecanuts be withdrawn from the scope of the Act in South Kanara at an early date.

Yours faithfully,

Mangalore, S.K. )
24th Aug. 55 )

President.

Secretary.

Copy to:

) Elected representatives of the district in Parliament and State Legislature.

) Collector, South Kanara.

Agri 43 CAW

Memo No. 69785 AII/55-5 d. 6-9-55

Sub: Marketing - Enforcement of the scheme of regulated markets in S. Kanara Dt. - Correspondence resting with Govt. Endt. No. 69285 AII/55-4 Agri d. 22-8-55 from the Secy., the S. Kanara and Coorg Areca Growers' Union, Puttur, No. F. 7/38. d. 24-8-55.

A copy of the letter received cited together with the memorandum referred to therein is communicated to the D.A. and the Collector of S. Kanara in continuation of the Govt. Endt. first cited. The D.A. is requested to expedite his remarks in the matter in consultation with the Collector of S. Kanara.

6-9-55

5-9-55

To the D.A. Madras with a copy of the 35-4 cf

To the Collector of S. Kanara with a copy of the 35-4 cf

V.R. 24-9-55

# THE KANARA CHAMBER OF COMMERCE

P. O. BOX NO. 116 MANGALORE-1 (S. INDIA)
TELEGRAMS: "CHAMBER"
TELEPHONE: 128

Date 19th September 1955.

The Hon'ble Sri M.Bhaktavatsalam,
Minister for Agriculture,
Government of Madras,
Fort St.George,
MADRAS.

Sir,

Sub: The Madras Commercial Crops Markets Act,1933
Application to South Kanara in respect of Arecanuts,Coconuts and copra- Traders' request for the repeal of notifications.

Ref: (1) From the traders of Mangalore, Memorandum to you dated 26-7-55.
(2) Your Department's Letter No.69785-B.IV/55-1 dated 2-8-1955.
(3) Memorandum submitted to you by the deputation of traders on 8-8-55 at Madras.

***

We have the honour to invite your kind attention to the Memorandum dated 26-7-55 submitted to you by the traders of Mangalore and a further memorandum submitted to you by their deputation that waited on you at Madras on 8-8-1955 on the subject of repeal of notifications applying the above Act to South Kanara in respect of Arecanuts, Coconuts and Copra.

The traders have desired us to ascertain the decision of the Government on the representation made as stated above. Having regard to the importance of the subject-matter to the trade, we have to request that a decision thereon may kindly be expected and communicated to the Chamber at an early date.

Thanking you,

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE.
Hon. Secretary.

Encl: Nil.

Agri C.IV/ 6.9.55 copy communicated to the D.A. Madras and the collector of S.Kanara in continuation of this Govt. memo No. 69785 A IV/55-5 Agri. dt. 6-9-55. The D.A. is requested to expedite his remarks in the matter

To the D.A. Madras 23-9-55
The collector 24-9-55

Initials.

AGRICULTURAL DEPARTMENT.

THIRD ASSISTANT SECRETARY TO GOVERNMENT
27 SEP 1955
AGRICULTURE DEPARTMENT

From
Sri M.S.Sivaraman,I.C.S.,
Director of Agriculture,
Madras.5.

To
The Secretary to Government,
Agriculture Department,
Fort St. George,
Madras.

C.1.1415/55 Dated 22.9.55.

Sir,

Sub:- Marketing - Enforcement of the scheme of regulated markets in South Kanara district.

Ref:- Government D.O.No.69785 AIV/55-3 Agriculture Department dated 11.8.55.

I submit herewith a copy of letter L.Dis 22815/55 dated 1.9.55 from the Collector of South Kanara together with the enclosures referred to therein. I agree with the views expressed by the Collector of South Kanara.

2.Here in South Kanara as also in other areas like Ramanathapuram, Tirunelveli and Coimbatore the opposition to regulations is most vehemently pressed only by the vested interests in the trade. Regulations to an honest traders are most innocous. It is a well known fact that most of the traders are not averse to exploiting the weakness of the producer sellers in Agriculture in so many ways. Many are not also averse to *** manipulating their accounts to escape the rigorous ***of the Government Taxation measures. Open transactions under regulation enforced by the Market Committees will be encroaching on their liberties to exploit the weak seller and to evade taxes.

3.Four leading traders of South Kanara have yet once again gone to the High Court challenging very many of the provisions of the Madras Commercial Crops Markets Act 1933 in writ petition No.18 of 1955. The Government in their Memorandum No.9070 BIV/55-5 Agriculture Department dated 5.4.55 have requested the special Government Pleader, Madras to appear on behalf of the Collector of South Kanara, who in his capacity as Ex-Officio Chairman of the South Kanara Market Committee is impleaded as the first respondent in the above writ petition. When this case is pending it may not perhaps be necessary to concede any of the requests. On the other hand the traders can be invited to work the Act and after a period of a year or two, come forward with practical difficulties if any, for amelioration.

4.The further representation received from the South Kanara and Coorg Growers' Union Puttur communicated with the Government Memo No.69785-A.IV/55-5 dated 6.9.55 mightsseem to be inspired by the agitation of the traders at Mangalore. The lines of argument follow substantially those of the petitions from Mangalore. In view of the Collector's remarks and my remarks above there seems to be no special need to be going into each and every one of the pet arguments from diverse sources engineedd by a single agency.

sd/ M.S.Sivaraman,
Director of Agriculture.

BY ORDER

SP/. 24.9

Assistant Marketing Officer.

Copy of letter No. L.Dis. 22815/55 dated 1.9.55 from the Collector of South Kanara, Mangalore To The Director of Agriculture, Madras.

****

COMMITTEE - South Kanara Market Committee - Enforcement of the Scheme of regulated Markets in South Kanara District Representation from merchants of Mangalore - Remarks Offered.

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pp1-11 above

1. Copy of letter dated 27.7.55 from the Kanara Chamber of Commerce addressed to the Minister for Agriculture, Madras.

pp12-21 above

2. Memorandum dated 8.8.55 presented to the Minister for Agriculture by the deputationist from Mangalore.

pp21-33 above

3. Memorandum dated 20.8.55 from the dealers in arecanut etc., of Puttur Taluk addressed to the Minister for Agriculture, Madras.

p 23 above

4. Copy of D.O.No.69785 AIV/55-3 dated 11.8.55 from the Deputy Secretary to Government (Agriculture Department) Madras) addressed to the Director of Agriculture, Madras.

I enclose a copy of the notes of the Secretary, South Kanara Market Committee, Mangalore, containing detailed comments on all the points mentioned in the 3 Memoranda cited submitted by the dealers in cocoanut, arecanut etc., of South Kanara district to the Minister for Agriculture, Madras. I agree with his notes.

(Pl-see below

2.It will be of importance to note here that while all these dealers shouted from the house-tops that the trade is fair and that the Act is redundant, not one grower- who is the most benefited by the Act - has come up with this concurrence. This representation, therefore, appears to be one sided, representing vested interests only. In any case, they have not given a chance to the Act or any reasonable consideration. This may not even be considered just now. I am of opinion that the Madras Commercial Crops Markets Act may be allowed to work for some time.

-TRUE COPY-

N.Ref.906-55

Resubmitted-

Sub:- MARKETING - Enforcement of the scheme of regulated markets in South Kanara district.

Ref:- Memorandums dated 26.7.55 and dated 8.8.1955 from the dealers of arecanuts, coconuts and copra from Mangalore presented to the Minister for Agriculture.
2) D.O.No.69785 AIV/55-3 dated 11.8.55 to the Director of Agriculture - Copy to the Collector of South Kanara.

p 23 above

I. MEMORANDUM DATED 26.7.1955

pp1-11 above

The revised bylaws of the South Kanara Market Committee framed on the pattern of the approved model bylaws duly sanctioned by the Director of Agriculture came ~~in~~ into force from 1.7.1955 and this fact was duly notified by publishing notice both in the notice Boards and also in the local papers.

The Collector of South Kanara who is in charge of the Committee under Sec. 6A of the Act convened a meeting of arecanut and coconut traders of Mangalore on 14.7.1955 in order to see that there may be better progress in the working of the Market Committee. Individual invitations were issued to 70 traders of Mangalore including the President of the Kanara Chamber of Commerce, but only 19 representing only 17 out of the 70 dealers attended the meeting at the Collector's Court Hall. A copy of the proceedings of this meeting is enclosed (Marked.A) The dealers promised to submit a memorandum to the Collector

pp 53-54 below

incorporating their grievances and also suggestions to remedy the same. But the dealers instead of submitting a memorandum to the Collector as promised by them later decided and submitted this memorandum to the Government with a copy of the same to the Collector.

There is absolutely nothing new in the Memorandum. It is a repetion of the saying that the trade is South Kanara is very fair and there is no need at all for any regulation contemplated in the act. The one growers' commission agency at Mangalore, the Karnataka Vyavasaye Varthaka Sangha Ltd., (no.15 in the list of signatories) is one of the leading Commission Agents of arecanuts at Mangalore. They are under the false fear that they may eventually be ousted from their role of Commission Agents by the Market Committee when regular market yards are opened. With this internal fear they are carrying on a sort of anti-propaganda with the growers against the Committee. The other body of growers the South Kanara Agriculturists' Co-operative Marketing Society, Ltd., (No.9 in the list of signatories) is a Co-operative marketing organisation which should naturally cooperate with the market committee but is also a party with the other traders for reasons best known to themselves. It is surprising that the Secretary of this society is one with the other traders and I doubt whether this Secretary has got the authority from the marketing Society to sign this memorandum to the Government. Para 1, 2 and 3 of the Memorandum deal with particulars which have already been duly heard by the authorities concerned.

B

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Para 4. Regulation in the buying and selling of any Commodity is the need of the hour in any area. The Commission charged on arecanut ranged from Rs.3.8.0 to Rs,5/- per cwt. in Mangalore before the regulations were brought in, but now it is uniformly fixed at Rs:3.8.0 per cwt. This is one instance where a uniform standard under an authorised body is possible and not otherwise. The Committee is a watch dog in the market and this is quite necessary even in a centre like South Kanara where trade practices may be better than some other places. It is not known how the Madras General Sales Tax Act prohibits from them from making any unauthorised deductions:

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PARA 5 - This is the wish of the traders that they should be absolutely free to do what they like.

PARA 6 - What the dealers are really worried is noted in this para. They think that they should be free from even these reasonable restrictions. Submitting returns and taking out licences are normal to any work of regulation and therefore are necessary evils of a regulated marketing. The returns submitted by the dealers are strictly confidential at present as per Rule 79 (3) of the Madras Commercial Crops Market Rules and so, it is not detrimental to their interests in any way.

PARA 7-Nil

E

PARA 8- It has not been possible for the Market Committee to open a regular market yard till now, mainly due to the obstructive tactics of the dealers who were hindering the progress of the Committee from the beginning What is provided by the Committee at present is a godown for growers who may need godown facilities at Mangalore for the storage of the commercial crops. The crops stored in these godowns are sold at the request of the ryots.

PARA 9 AND 10 - It is the usual say of the vested interests who would like to continue without any regulation.

PARA 11-It is a legal point to be decided by Competent authority and not by the dealers.

The following is a short history of this committee:-

The first nominated committee was constituted in G.O. 1331 F & A dated 10.7.1950. This Committee framed the Bylaws of the Committee which was duly sanctioned by the Director on 28.5.51. The Secretary also joined duty on 28.5.51 and so, the executive functions of the Committee commenced from 28.5.51, A section of traders continued to oppose the Committee and a memorandum was submitted to the Government and Sri A.B.Shetty, the then Hon'ble Minister for Agriculture heard them at the Kanara Chamber of Commerce on 17.11.1951.

A few of the traders continued to contravene all the provisions of the Act and the Rules and the Committee in 1952 prosecuted four of them mainly for contravention of rule 36 of the Madras Commercial Crops Market Rules. They were convicted by the learned sub Divisional Magistrate Mangalore but were acquitted on appeal by the learned Sessions Judge of South Kanara on the ground that there was not sufficient proof to show that the notification under section 4 of the Act has been duly published as required under Rule 3 of the Rules. This created a set back and practically a stalmate in the progress of work of the Committee because every body began to doubt the authority of the Committee.

Fresh complaints were again filed against these dealers under section 5 of the Act during the year 1953 (14.3.53) and additional evidence was produced to prove that the notification had been duly published as required under the Rules. But the dealers were again acquitted by the learned sub Divisional Magistrate Mangalore (on 20.7.53) on the same ground that there was not sufficient proof of publication of section 4 notification in all the modes required under the rules.

Thus, again a stalmente was created in the work of the Committee which was not in a position to do anything against persons who were continuing to contravene all the provisions of the Act and the Rules. Then the Madras Commercial Crops Markets (amendment) Act 1954 (Act XXVI of 1954) was duly passed mainly regularising the notifications published by Government.

But in spite of the amended Act, these dealers continued to contravene all the provisions of the Act and the Rules and went even to the extent of asking others not to abide by the Act and these rules. So they had to be again prosecuted by the Committee- in November 1954 in the Court of the District Magistrate Mangalore. These dealers have now filed a writ petition at the Madras High Court challenging the validity of the Madras Commercial Crops Markets (amendment) act, 1954 and the proceedings against them have been temporarily stayed on the orders of the High Court.

All this work of opposition to the Committee is mainly sponsored by two or three rich merchants who are buyers in the Mangalore Market. They feel that with the money they have, they will be able to hinder the progress of the Committee by dragging the Committee into courts of law and also by active canvassing among the other merchants. The deputation is mainly the result of active canvasing by these four dealers who have filed the write petition at the High Court.

The correct procedure for the dealers is to abide by the provisions of the Act, the rules and the bylaws by paying all the dues of the Committee and then take up the matter to the proper authorities and fight for their legal rights; but the dealers of Mangalore continue to contravene all the provisions of the Act and the Rules in the most irresponsible way and then come forward with the memorandum to Government. It is better that these dealers are clearly told to first abides by the law in force and then only represent their grievances, if any to the authorities.

pto

The Kanara Chamber of Commerce has only forwarded the Memorandum submitted through the Chamber and a copy of the letter of the Chamber addressed to the Collector of South Kanara is enclosed (Marked B)

II. MEMORANDUM dated 8.8.1955

Pp 15-21 above

1. This Memorandum is a revision on the first Memorandum which requested the withdrawal of the notification from the whole of the South Kanara District whereas here is a plea for excluding Mangalore town from the operation of the Act, on the main ground of a legal point of restriction on the freedom ~~xfxinterxx~~ interstate trade.

Mangalore is no doubt a port of international trade but this point has nothing to do with the regulation on buying and selling of commodities at Mangalore. The regulations under the Madras Commercial Crops Markets Act, the Rules and the by-laws framed thereunder do not interfere in any way with the normal inter-state trade. It only regulates the internal trade in the notified crops and the little rest-rictions imposed for the above purpose are considered to be reasonable restrictions in the normal working of regulated markets. Though about 30% of the arecanut produce is sold through the two Growers' Commission agencies, the Karnataka Vyavasaya Varthaka Sangha Ltd., and the South Kanara Agriculturists' Cooperative Marketing Society, there are more than 25 other agencies which act as agents for the sale of these commodities. Even in spite of the regulation fixed by the Market Committee that the Commission charged on the sale of areacanuts should be Rs.3.8.0 per cwt., it is seen that some of the dealers even then charged Rs.4/- per cwt., the commission being a charge on the growers. But for the regulation imposed by the Committee, the Commission charged by some of the Commission agents would have been even higher, So, it is not true that the whole affair is between two expert traders and the grower is quite safe in their hands. Again it is not true to say that "it is not consumed in any other part of Madras State "Chali" arecanuts are purchased by a number of dealers from South India and Malabar districts.

In this para again, the stress is laid on the constitutional point of restriction of the freedom of inter-state trade but the regulations under the markets act do not anyway restrict or interfere with the inter-state trade. The plea to exclude "Mangalore Town" from the operations of the regulated markets act appears to be an impracticable proposition because Mangalore is the main and practically the only centre of trade for arecanuts in the District. This is just another way of asking for the withdrawal of the Act from the whole district.

Regulated Marketing is not only a State Policy but is an International necessity in the modern world and thus it has to stay in spite of opposition.

The very fact that the original memorandum has been later revised to say that "Mangalore Town" should be excluded from the purview of the Act shows that the sponsors of the Memorandum are not sure of their own grounds in pressing their points.

TRUE COPY-

A meeting of the arecanut and coconut traders of Mangalore was held at the Collector's Court hall at4 P.M. on 14.7.1955

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Sri M.G.Raja Ram, I.A.S., Collector of South Kanara, Presided.

PRESENT

SHIPPERS

1. Sri A. S.N.Churya
2. Sri Ullal Subraya Mallya of M/S Mallya & Co.,
3. Sri Balwanth Rai Bhikkabhai Parekh of M/S Bhikkabhai Prabhudas Parekh & co.,
4. Sri Jeshwanthrai Bhikkabhai Parekh of M/S Bhikkabhai Prabhudas Prarekh & Co.,
5. Sri M-Krishna Prabhu of M/S Shambhulal Nathalal & Co.,
6. Sri Jawaharlal of M/S Shambhulal Nathalal & Co.,
7. Sri Jayanthilal Khetsi of M/S Jayanthilala Khetsi & Co.,
8. Sri S.Ramakrishna Nadar of M/S P.N.V.Bhandary & Sons, (Export Dept)
9. Sri P.S.Prabhu.

COMMISSION AGENTS

10. Sri B.Mohamed of M/S Haji M.Moidinabba Haji V.Hussainkunhi & Co.,
11. Sri M.Dharmaraj Padival of M/S Padival & Sons.
12. Sri P.Mohan Bhandary of M/S P.N.V.Bhandary & Sons.
13. Sri P.Rama Rao of Karnataka Vyavasaya Varthaka Sangha Ltd.,
14. Sri Panduranga Kamath of M/S Appayya Shanbhogue & Co.,
15. Sri P.B.Hussainkunhi of M/S P.B.Hussainkunhi & Co.,
16. Sri B.Vaman Shenoy of M/S Basty Rama Keshava Shanohogue & Co.,
17. Sri Pailur Laxminarayana Rao of M/S Soth Kanara Agriculturists Cooperative Marketing Society Ltd.,
18. Sri D.H.Anthony of M/S N.M.Dean & Company.

.....

19. Sri K.P.Hegde, Manager, Kanara Chamber of Commerce, Mangalore.
20. Sri K.T.Shetty, Secretary, The South Kanara Market Committee Mangalore.

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The Collector after explaining the object of the Act, invited the merchants to state their real difficulties in successfully working the act in this District.

The following points were put forth in the meeting:

1. By Sri Panduranga Kamath of M/S Appaya Shanbhogue and Sons, Bunder, Mangalore.

1.Levy of licence fee is considered to be high. Better this fee is brought down and also fixed on a slab system.

2.It is better to open a number of yards in the same place then restricting the sales to one single yard.

II By Sri Krishna Prabhu of Shambulal Nathalal & Co., Bunder, Mangalore.

3. The fee of Re.0.2.0 per cwt of "Supperai" now collected by the Committee has to be pa'd by the Shippers here. Some of whom are only commission agents for the buyers. Their principals at Bombay are not willing to pay this fee. So, it is better the fee is collected from the Growers.

III. Sri Pailur Laximinarayana Rao of the South Kanara Agriculturists' Marketing Society Ltd., Mangalore.

4. It is better to have a provision in the Bylaws to see that all sales of Commercial Crops are only for cash witho

any credit sales. This provision has to be enforced.

5. The Committee is one man's show at present. It is better that the elected Committee is constituted early.

IV. Sri K.P.Hegde, Kanara Chamber of Commerce, Mangalore.

6.It is requested to find out the reasons for postponing the elections to the Committee.

7.The possibility of charging the fees on Commercial crops from the growers may be explored.

V. Sri M.Dharmaraja Padival of M/S Padival & Sons, Mangalore.

8.It is better that sales are conducted in the existing premises of the dealers in the presence of the authorised staff of the Committee rather then restricting the sales to any yard as such by a schedule of auctions to be drawn up to suit the conveniences of the sellers and buyers.

VI. Sri Ullal Subraya Mallya of M/S Vasudeva Subraya Mallya & Co., assured the Collector of their cooperation.

The Collector assured the traders that their genuine diff'culties will be really considered and remedied as far as possible. He appealed to the traders to abide by the regulations in force and said that contravention of law in any form cannot be tolerated.

It was decided that a memorandum should be submitted by the Traders to the Collector incorporating their grievances and also suggestions to remedy the same. This memorandum to be submitted by Wednesday the 27th July 1955.

.....

TRUE COPY

Copy of letter dated 26.7.55 from the Secretary, The Kanara Chamber of Commerce, Mangalore to the Collector of South Kanara and ~~Chir~~Chairman, South Kanara Market Committee, Mangalore.

*****

Sub:- THE MADRAS COMMERCIAL CROPS MARKETS ACT 1953 - South Kanara Market Committee - Traders' Representation.

053-Mabwe

We refer to the meeting of the traders in Arecanuts, Cocoanuts and copra which you were kind enough to convene on 14.7.55 with a view to give an opportunity to the traders to discuss matters pertaining to the South Kanara Market Committee for the purpose of achieving better progress in its working. In furtherance of the discussions at the said meeting, the Chamber had invited all the traders to formulate their grievances and proposals for being incorporated in a Memorandum to be submitted to you as suggested. But the traders at their meeting held on 22.7.55, have come to the conclusion that the application of the Madras Commercial Crops Markets Act, 1933 to South Kanara in respect of Arecanuts, Coconuts and Copra is not justified and that there is no need for the existence of a Market Committee. They have accordingly submitted a Memorandum to the Hon'ble Minister for Agriculture, Government of Madras and have desired the Chamber to forward a copy to you. The same is enclosed herewith, and at the same time, representatives of these traders will discuss with you further in the matter.

The Chamber desires to convey to you its grateful thanks for your efforts to arrange better working of the Market Committee but regrets that it has not been possible for the traders in their interest, to see their way to carry out your suggestions.

The traders desire to wait on deputation with the Hon'ble Minister for Agriculture at Madras to explain their case personally. Having regard to the importance of the subject, it is requested that you may be pleased to commend this proposal for the consideration of the State Government and arrange to receive the deputation at an early date.

-TRUE COPY-

N.Ref.906-55

Resubmitted to the Collector of South Kanara.

Sub:- Memorandum dated 20.8.55 from the dealers in arecanuts etc., of Puttur Taluk, South Kanara to the Minister for Agriculture, Government of Madras.

Ref:- Collector's N.Ref.A.5.22815/55 dated 22.8.55.

There are no new points in the Memorandum except paras 6 and 7 to say that a number of small traders will be affected by the enforcement of regulated markets. Even now, very small traders are exempted from the purview of the act and the Rules and there is thus no fear of any small trader being unemployed on account of the regulations imposed, unless he is a trader who wants to live by evading the regulations.

2.The other points have already been replied as a reply to the memorandums submitted by the Mangalore dealers.

- TRUE COPY-

24-9
SP/.24.9

S V Ramamurthy 26/9
A/L Assistant Marketing Officer.

5) Agri (A4)

Pl. issue today
for
11.10.55

Memo No. 67785 A4/55-3 dt 11.10.55

Sub: Marketing - Enforcement
the scheme of regulated
market in S. Kanara Dt.

Ref: 1) correspondence resting with
the Lr. from the collector of
S. Kanara, ref No. E.Dis. 22815/55
dt. 1.8.55 addressed to the D.A.
Madras.

p4 1 cf

2) From the D.A. Madras, No.
C1.1415/55. dt. 22.8.55.

p4 7 cf

In their petition dt. 8.8.55
presented to the Minister for Agri-
culture by the deputationists
from Mangalore, copy communi-
cated to the collector of S. Kanara
and the D.A. Madras, with G.O. No.

p15-21 cf

p23 cf

67785 A4/55-3 Agri dt. 11.8.55, a
request has been made inter alia
that 'chali Areca nuts' (dried
Areca nuts) may be exempted
from the scope of the M.C.C.M.
Act, as it is produced exclusively
for the purpose of export to
Bombay and other States in
Northern India and as it is not
consumed in S. Kanara or
any other part of Madras
State. The collector of S. Kanara
is requested to offer his specific

(Para 1 of p15 cf)

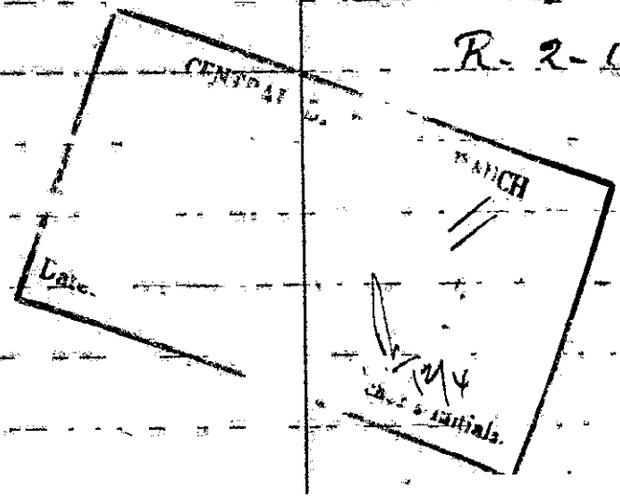
remarks on his request that the
D. R. Madras. The D. R. Madras
is requested to forward the
subject the collector's report
to the govt. with his remarks.
An early reply is
requested.

Sd
8.10.55

SR
10/10/55

Dr
10.10.55

To the collector
T. S. Kanara
cc to D. R. Madras
R. 2-11055



L.Dis.28383/55. South Kanara Collector's Office,
Mangalore, dated 20--10--1955.

From

Sri M. G. Raja Ram, I.A.S.,
Collector of South Kanara.

The Secretary to Government,
Agriculture Department,
Fort St. George,
Madras-9.

Through

The Director of Agriculture,
Madras.

Sir,

MARKETING -Enforcement of the scheme of regulated markets in SouthKanara District - Exemption of "Chali Arecanut" from the scope of M.C.C.M.Act Remarks.

-:o:-

Ref:- 1. Govt.Memo.No.69785/A.IV.55.7 Agrl.Department dated 11.10.55.
2. This office L.Dis.22815/55 dated 1.9.55.
3. This office L.Dis.24173/55 dated 9.10.55.

-:o:-

I have already offered detailed remarks on the memorandum presented to the Minister for Agriculture by the deputationists fromMangalore in my reference cited 2nd and 3rd Though a major quantity of "chali arecanuts" (Sun-dried arecanuts) is consumed in Northern India, a small portion of it is also purchased by a number of dealers from South India and Malabar District. There is also a big internal trade in arecanuts in Mangalore before it is actually exported to Bombay and other states and it is, therefore, necessary that this internal trade in the commodity should be regulated. The regulations under the Madras Commercial Crops Markets Act and the Rules and By-laws framed thereunder do not in any way interfere with the normal inter State trade in this commodity. It is, therefore, necessary to have arecanuts including "chali arecanuts" within the scope of the Madras Commercial Crops Markets Act, to regulate the internal trade in this important commercial Crop of this district at any rate for some time to see how it works at least.

Yours faithfully

21-10-55
For Collector.

sr/21-10

# THE KANARA CHAMBER OF COMMERCE

P. O. BOX NO. 116 MANGALORE-1, (S. INDIA)

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

Date 28th October, 1955.

The Hon'ble Sri M. Bhaktavatsalam,
Minister for Agriculture,
Government of Madras,
Fort St.George,
Madras.

SECOND ASST. SECRETARY TO GOVERNMENT
13-NOV 1955

Sir,

Sub: The Madras Commercial Crops Markets Act,1933-Application to South Kanara in respect of Arecanuts,Coconuts & Copra- Traders' representation for repeal of notifications.

Ref: (1)From the Traders of Mangalore,Memorandum to you dated 26-7-55.
(2)Your Department's letter No.69785-B.IV 55-1 dated 2-8-55.
(3)Further Memorandum submitted to you by the Traders' Deputation on 8-8-55 at Madras.
(4)Our letter to you dated 19-9-55 requesting the Government to expedite their decision on the Representations.

***

We write to invite your kind attention to our letter to you dated 19-9-1955, requesting you to expedite the Government decision on the representations made by the Traders of Mangalore for the repeal of notifications applying the above Act to Arecanuts,Coconuts and Copra in South Kanara.

Over 2 months have elapsed since the subject-matter was placed before the Government for a considered decision. We shall be grateful if you will kindly let us know where the matter stands at present.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE.

Hon. Secretary.

28/10

Agri (A.IV)
63

Letter No. 69785 A(IV)/55-1 dt 9.11-55

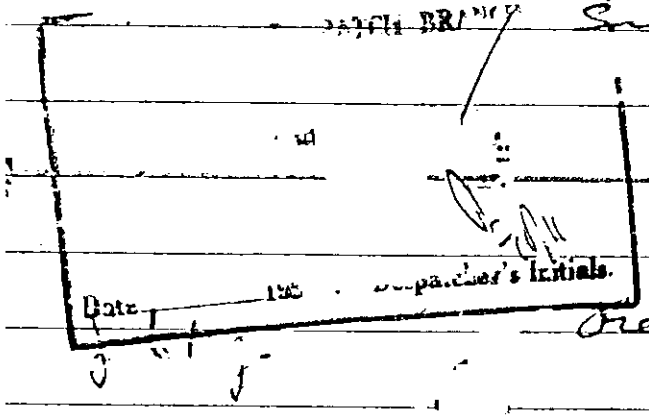
To the Honorary Secretary
The Kanara Chamber of Commerce
B.O. Box. No. 116, Mangalore.

Sir,

Sub: Marketing Engineering Officer scheme of regulated markets in S. Kanara dt. - Reply

Ref: Your letter No. Nil dt. 28.10.55

I am directed to state that the matter is still under the consideration



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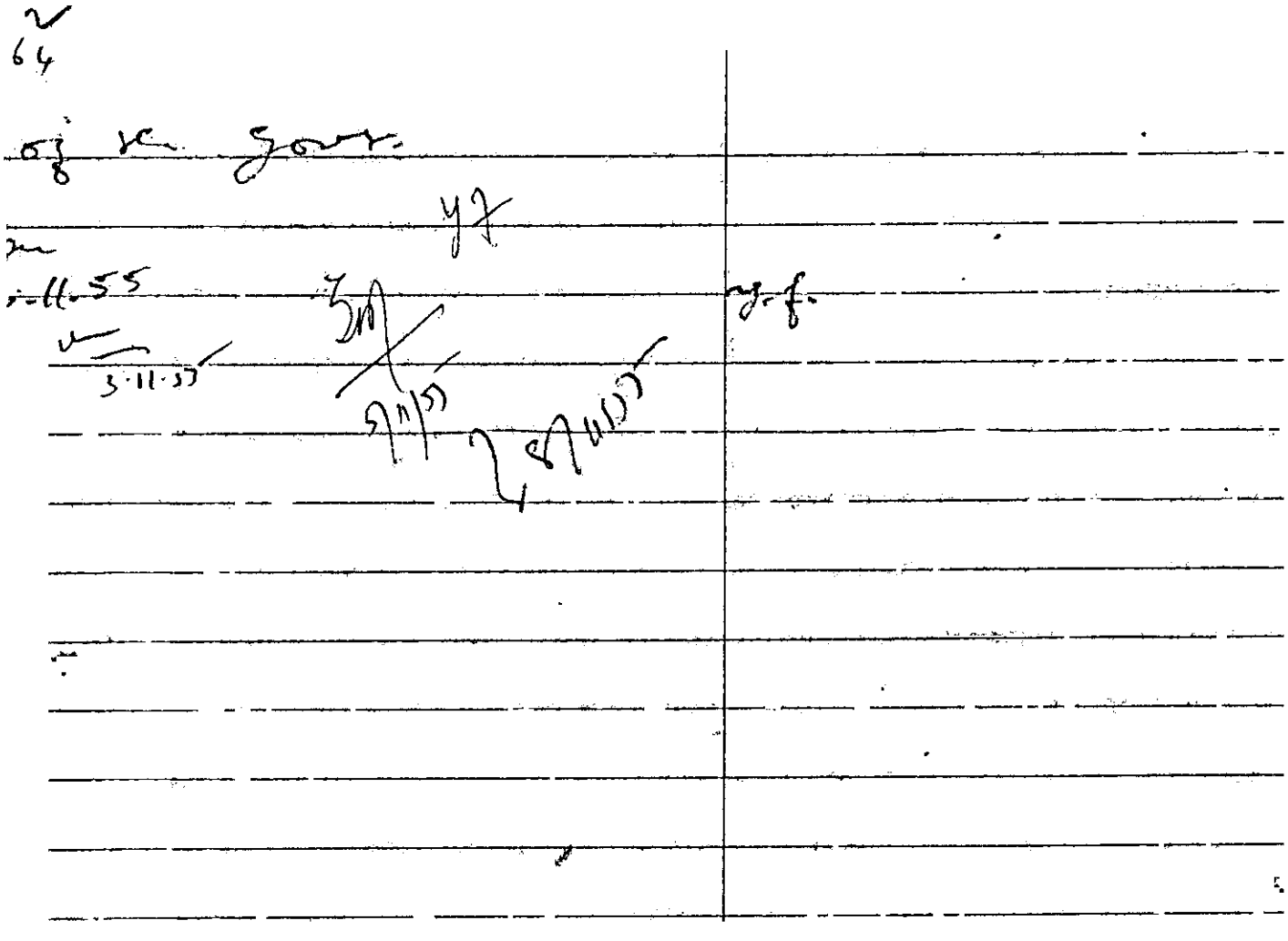

Agri (A Iv)
65

pl. issue
on
17.11.55

Memo No. 67785 A Iv/55-10 d 17.11.55

Subj: Marketing - Enforcement of the scheme of regulated markets in S. Kanara Dt.

Ref: 1) Correspondence resting with Govt. Memo No. 67785 A Iv/55-7 Agri d. 11.10.55.

pp 57.58 ij

2) From the Collector of S. Kanara Lr. No. L. Dis. 28383/55 d. 20.10.55 addressed to the Govt. thro' the D.A Madras.

pp 59 ij

The D.A. is requested to expedite his remarks on the letter of the Collector of South

Kamara accused

for

6.11.55

16/11/55

17/11/55

20th C.J.M.

Madras.

N.R. 4-12.55

CENTR

Date

Teacher's initials

AGRICULTURAL DEPARTMENT.

A4

67.

From
Sri P.P.I.Vaidyanathan,
Bar-at-Law, I.C.S.,
Director of Agriculture,
Chepauk, Madras-5.

To
The Secretary to Government,
Agriculture Department,
Fort St. George,
Madras.

THIRD ASSISTANT SECRETARY TO GOVERNMENT
20 NOV 1955
AGRICULTURE DEPARTMENT

C.1.1415/55 dated 11-11-55.

Sir,

101504

Sub:- Marketing - Enforcement of the scheme of regulated Markets in South Kanara District.

Ref:- i) Government Memorandum No.69785 A.IV/55-5 Agriculture Department dated 6-9-55.
ii) Government Endt. No.69785 A.IV/55-6 Agriculture Department dated 26-9-55.

-x-

I submit herewith a copy of letter No. C.24173/55 dated 6-10-55 from the Collector of South Kanara together with a copy of the remarks of the Secretary, South Kanara Market Committee, Mangalore.

2. The Secretary, South Kanara and Coorge Arecanut Growers' Union and one other member interviewed the Collector of South Kanara on 5-10-55 and explained the representation made in their memorandum submitted to the Hon'ble Minister for Agriculture. The Collector of South Kanara has examined the views of the Union and is of the opinion that

i) the memorandum now coming up from the growers union is obviously a manoeuvre of the traders to gain support for their cause to abolish the enforcement of the Act;

ii) the growers who were personally consulted only wanted the Act to be continued;

iii) the views expressed by the growers' Union are not exactly the majority opinion of growers;

iv) the Act should be tried at least for some period to see its benefits and

v) the arecanut trade earns something like 3½ crores of Rupees every year and is grown in an area of about 24,000 acres by thousands of growers.

Hence it is necessary to regulate the trade to ensure that all the growers realise reasonable price for their produce and there is no exploitation of any kind by the vested interest, similar to Malabar where the scheme is working successfully.

3. I agree with the views expressed by the Collector of South Kanara. In para 4 of this office letter No. C.1.1415/55 dated 22-9-55 the representation referred to above has been examined and necessary remarks offered in the matter. I have no further remarks to offer.

(sd) P.P.I.Vaidyanathan,
Director of Agriculture.

( by order )

kvr/1611.

15.11.55
Assistant Marketing Officer.

OFFICE OF THE DIRECTOR OF AGRICULTURE,
CHEPAUK, MADRAS-5, DATED 11-11-55.

-x-x-

Copy of letter C.No. 24173/55 dated 6-10-55 from the Collector of South Kanara.

-x-x-x-

THE MADRAS COMMERCIAL CROPS MARKETS ACT 1933 - Application to South Kanara in respect of Arecanuts - Repeal - Memorandum of the S.Kanara and Coorg Areca Growers' Union to Hon'ble Minister for Agriculture - Remarks.

Govt - - - d-6 respectively

Ref: Govt. Memo No. 69785.A.IV/55-5 dated 6-9-55 and 26-9-55.

-x-x-

In enclosing herewith a copy of the remarks of the Secretary of the South Kanara Market Committee, I have to observe as follows: Two representatives of the South Kanara and Coorg Areca Growers' Union (Secretary and one another) prayed for an interview to explain their representations made in their Memorandum submitted to the Hon'ble Minister for Agriculture. They were heard by me on 5-10-55 for over an hour. The gist of their representations are that they apparently feel, the trade (as far as the arecanut is eoncerned) is being done already on a regulated basis in South Kanara and that, therefore, there is nothing much that the scheme for regulated Market Committees under the Act could do to improve the position. They added that they being the representatives of the Growers also, have considered this question and are of the considered opinion that there is no need for the working of the Market Committee in South Kanara district for arecanuts. Their main apprehension is that the functioning of the Market Committee will completely wipe out the commission agencies and that the credit facilities now enjoyed by the growers will vanish when the market Committee starts functioning. They state that they have got something like 500 families of growers in their Union with about 10,000 acres of areca gardens between them and therefore, their opinion should also be considered. In actual effect, their opinion appears to be a support to the Memorandum previously submitted by the Traders in arecanut in South Kanara.

In this connection, attention is invited to my report in my L.Dis.22815/55 dated 1.9.55 wherein I had particularly brought to the notice of the Director that the growers at that time had not represented anything about the scrapping of the Act. I had further observed that the representation of the dealers was one sided. This Memorandum from the Growers' Union coming up now obviously appears to me to be another move on the part of the dealers to gain support for their opinion. As observed by the Secretary, most of these growers have interests as directors and shareholders in the two big arecanut commission agencies, viz. The Karnataka Vyavasaya Varthaka Sangha Ltd., and the South Kanara Agriculturists' Co-operative Marketing society Ltd., Mangalore. These rich growers are therefore both growers and traders in arecanut and I doubt whether their opinion can really be taken as representing the views of all the actual petty growers in the field, as contemplated in section 2(11) of the Madras Commercial Crops Markets Act 1933. In this connection, I may state that I have had occasions to consult some of these petty growers of arecanut during inspections of the interior villages, and every one of them said that the functioning of the Market Committee was a great benefit to them and that it should be continued! This matter was also discussed in one of the meetings of the Block Advisory Committee of the Sullia Community Development Block and an extract of the resolution passed in the meeting is also enclosed. From this it would be clear that the views expressed by the Growers' Union here are not exactly the majority opinion among them.

opinion of the growers. There seems to be a difference of

(continued..

2. In any case my view point is that it may probably be true that the trade conducted at present in South Kanara is done on a fair basis and that the operation of the Act may not be necessary. But I am afraid we have no basis for arriving at this conclusion at this stage, when they have not given a chance for the Market Committee to work. Due to vigorous opposition from the traders by their taking the matter in writ petitions, etc. before the High Court, it has been impossible to work the Act properly. In my opinion, I should consider that while we may keep an open mind about the views of Growers' Union we should really try the working of the Act at least for some period to see whether it is necessary to have a regulated market for arecanuts or not in South Kanara District. The arecanut trade in the district which forms practically the most important commercial crop, earns something like 3½ crores of rupees every year. Prima-facie there would appear to be a necessity to regulate the trade in respect of this important crop. It would be premature to consider the question of scrapping the Act in respect of this crop in this District. I would, therefore, suggest that a reasonable opportunity must be given to see how the committee will work in the district and both the growers and the traders must take a more objective view of this question and should really come forward with their co-operation to try the working of this Act in respect of arecanut in South Kanara. At the moment their apprehensions and opinion are rather prejudiced, if not presumptuous.

// true copy //

Copy of (Ref.M2.25461-55) Proceedings of the 7th meeting of the Sullia Block Advisory Committee held in the Board High school on 29.9.55.

Present Sri M.G.Raja Ram, I.A.S., Collector and Chairman

xx xx and others. xx

V. Discussion on any Miscellaneous subjects.

2. Sri Tajappa Shetty, Secretary of the Market Committee was given a few minutes (on request) to address the B.A.C. on the working of the Committee in the district. The B.A.C. feels that the Act should continue to be in force. The B.A.C. supports the continuance of the Act and strongly opposes any move to scrap the act as pressed for by some vested interests.

-true extract-

Resubmitted.

Sub: MADRAS COMMERCIAL CROPS MARKETS ACT, the Rules and By-Laws - Memorandum submitted to the Hon'ble Minister for Agriculture by the South Kanara and Coorg Areca Growers' Union requesting repeal of the Act with regard to Arecanuts in South Kanara.

1. The South Kanara and Coorg Areca Growers' Union is a body of rich arecanut growers most of whom have interest as Directors and Shareholders in the two big arecanut Commission agencies, the Karnataka Vyavasaya Varthaka Sangha Ltd., Mangalore and the South Kanara Agriculturist's Cooperative Marketing Society, Mangalore. Most of these rich growers therefore are both growers and traders in arecanuts and as per definition in section 2(11) of the Madras Commercial Crops Markets Act, 1933, they are really not to be included as growers, because they have more interest in trade. These growers are under the false fear that the Market Committee will completely wipe out the above

(contd..

above two Commission Agencies when regular Regulated Markets are opened by the Committee. The opposition to the regulated markets, therefore, is mainly due to this fear and all the propaganda by the Market Committee is not able to allay this fear from their minds. I, also, reliably understand that this Union has been influenced by the Traders with a request to submit this Memorandum.

2. The scheme of the Act suggests better facilities in buying and selling not only to the growers but for both the sellers and the buyers in the market.

3. To say that all the facilities are available at Mangalore is not true. There is no authority to fix the various changes like Commission etc, on the sales. The market committee has now fixed a commission of Rs. 3-8-0 per cwt. of arecanuts, bringing down the original commission which was from Rs. 3-8-0 to Rs. 5/- per cwt. This fixed commission on sales is estimated to have given a saving of Rs. 1,00,000/- per year to the growers, because only the co-operative Marketing Society was charging this minimum rate of Rs. 3-8-0 per cwt. before the market committee fixed the uniform rate of Rs.3.8.0 per cwt. in the whole of the district. Again to say, that purchasers from Bombay and other places come here and purchase the produce from the Commission Agents is not correct. There are a number of local buyers who purchase the arecanuts, sort them into grades after sulphur fumigating the same and send these to the various consuming centres. The sales in these commission houses at Mangalore are done under the cover of cloth, which if replaced by a secret tender system as done in the South Arcot Market Yards at present, will be the most satisfactory system, because the seller will know that his produce has really been sold to the highest bidder in a secret auction.

4. The Commission agent can still play his part in providing the necessary facilities to the growers by working within the regulations stipulated under the Regulated markets, that is, by abiding by the rules of fixed commission, proper weighment by licensed weighment etc.

5. The false fear of the credit facility completely going dry after the establishment of the Regular market yards is one of the reasons for this memorandum. The Regulated markets do not in any way interfere with the credit arrangements available to the growers or to the buyers and so this fear is baseless.

6. The growers want to see that the Commission Agents are kept alive as agents to sell the arecanuts. There is nothing in the Madras Commercial Crops Markets Act to say that Commission Agents should be eliminated.

7. The Karnataka Vyasaya Varthaka Sangha Ltd., and the South Kanara Agriculturist's Co-operative Marketing Society Ltd., are two of the Commission Agencies, no doubt, sponsored and managed by the Growers and are handling about 25 to 28% of the produce between them but this does not mean that all the market is fair in Mangalore.

8. As already said this Union and some of the rich growers are opposed to the Market Committee mainly because of their interest in the Commission Agencies and because of the false fear that ultimately the market yards would completely take over the functions of all the commission Agents by selling the arecanuts direct from this yards.

9. The fear of the arecanut trade being completely removed from the district is baseless. The restrictions imposed by the Committee are all reasonable restrictions to regulate the trade in arecanuts.

(continued..

10. The activities of the Committee were practically held up during all these years because of certain legal difficulties and the continued opposition from a section of the traders. Even, a section of the rich growers were found to help the traders in opposing the Committee. The voice of the Committee could not reach and convince the growers because of these powerful elements in opposition, who could easily counteract any propaganda done by the Committee.

Arecanut is practically the one Commercial Crop getting over rupees Three and half crores into this district every year. It is therefore necessary to regulate the trade in this important crop and the regulated market committee should therefore function for the benefit of all.

(sd) x x x/ 8.9.55.

SECRETARY.

//true copy//

kvr/1611.

Assistant Marketing Officer. 15.11.55

Agric A.V.

Memo No. 69785 AV/55-1d 28-11-55

Subj: Marketing - Enforcement of the scheme of regulated markets in S. Kanara dt.

Ref: ✓ Correspondence resting with the Ltr. from the D.A. Madras, No. C1.1415/55 d. 16.11.55

The attention of the D.A. is invited to Govt. Memo No. 69785 AV/55-1 Agri. d. 11.10.55 and Ltr. No. L.Dis. 28383/55 d. 20-10-55 from the collector of S. Kanara, addressed to the Govt. through the D.A. Madras (~~Copy~~ copies enclosed for ready reference) and he is requested to offer his specific remarks on the suggestion made for the exemption of "Chali Arecanut" from the scope of the M.C.C.M. Act.

2. A very early reply is requested

Sd/-
23.11.55

Sd/-
24.11.55

To the D.A.
Madras
with copy of 69785-5 Pgs V.A.

CENTRAL DESPATCH BRANCH
Despatched by ... Post.
Date ... 195 . Despatcher's Initials

EK 1/12/55
EK 29/11/55

112502

Agricultural Department

THIRD ASSISTANT TO GOVERNMENT
25 DEC 1955
AGRICULTURE DEPARTMENT

From
Sri T. Vaidyanathan,
Barrister-at-law, I.C.S.
Director of Agriculture,
Chepauk, Madras.

TO
The Secretary to Government,
Agriculture Department,
Fort St. George, Madras.

No.C.1.1415--55 dated 21.12.55

Sir,

Sub: Marketing - Enforcement of the scheme of regulated markets in South Kanara Districts.

Ref: i) Government Memo No. 69785 A.IV/55-10 Agriculture Department dated 17.11.55.
ii) Government memo No.69785 AIV/55-11 Agricultural Department dated 28.11.55.

Arecanut is the most important commercial crop of South Kanara district with a transaction of about 200000 Cwts valued at Rs. 3½ crores at the present rate. It is mainly converted into 'Chali' arecanut by sun drying and then sold in the market.

2. The sale of arecanut produced in South Kanara District is mainly as "chali" arecanut. If this is to be exempted from the scope of the Madras Commercial crops Markets Act 1933 it will mean virtually removing arecanut crop itself. Hence the exemption of Chali arecanut, can be refused. The Act is applicable to purchase and sale of Arecanuts made within the notified area irrespective of the fact the article is consumed locally or transported outside.

3. There is a big internal trade of arecanut as well before it is actually exported to Bombay. It is equally necessary if not more, that the trade of Arecanut is particularly regulated when it is exported to Bombay. The Collector of South Kanara in his letters L.Dis.A No. 815/55 dated 1.9.55 and No.24173--55 dated 6.10.55 submitted in this office letters No.C.1.1415/55 dated 22.9.55 and dated 11.11.55 respectively has stated that it is necessary to have arecanuts including "chali" arecanuts within the scope of the Madras Commercial Crops Markets Act 1933 to regulate this important commercial crop of South Kanara. I agree with his views.

(sd) Mohamed Obeidullah Shah
For Director of Agriculture

/By order/

T. Thanumpandian 23/12/55
Assistant Marketing Officer

RB 22.12.55

Agre. (AIV).

Memo. No. 69785 AIV/55-12 d. 27.12.55

Subj:- Committees - South Kanara Dt. Market Committee Exclusion from the purview of the MCEM Act - Representation.

Ref:- From the DA. No. C1. 1415/55 d. 22/9/55. p-4 cf
From the Collector of South Kanara Lr. No. 28387/55 d. 20/10/55. p-5 cf
From the DA. No. C1. 1415/55 d. 11/11/55: p-6 cf
From the DA. No. C1. 1415/55 d. 21/12/55 p-7 cf

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The Govt. have examined the representations made by the traders' interests in the South Kanara Dt. seeking the removal of the enforcement of the MCEM. Act and Rules in that Dt. or to exclude a particular type of arecanut called "chali" arecanut from the scope of the said Act. The Govt. agree with the views expressed by the DA. and the Collr. of South Kanara in their letters cited that there is no need to comply with the requests of the petitioners but that the Act has to be enforced. The DA. is requested to instruct the South Kanara Market

Note to be put in O.M. on pp. 14-17 cf.

✓ 'R', p-15 cf.
& 'A', p-17 + B, p-16 cf

P.T.O.

R2

Committee to invite the traders concerned to cooperate with the Govt. in enforcing the MCCR Act in the South Kanara Dt. and then after a year or two come forward with practical suggestions to remove any difficulties/hardships encountered by them in the working of the Act

A. p. 17 nf.

25/1/56

27/1/56

27/1/56

To

The D.A.

Collr. of S. Kanara.

Dt. S. Kanara Market Committee

Mangalore.

S.F. 1

# THE KANARA CHAMBER OF COMMERCE

P. O. BOX NO. 116 MANGALORE-1, (S. INDIA)

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

Date 7th February, 1956.

14952-Agr

SECRETARY AGRICULTURE DEPARTMENT 17 FEB 1956

SECOND ASST. SECRETARY TO GOVERNMENT 18 FEB 1956 AGRICULTURE DEPT.

The Hon'ble Sri M. Bhaktavatsalam,
Minister for Agriculture,
Government of Madras,
Fort St. George, MADRAS.

Sir,

Sub: The Madras Commercial Crops Markets Act, 1933-Application to South Kanara in respect of Arecanuts, Coconuts & Copra- Traders' Representation for repeal of notifications.

Ref: (1) From the Traders of Mangalore, Memorandum to you dated 26-7-55.
(2) Your Department's letter No.69785-B.IV. 55-1 dated 2-8-55.
(3) Further Memorandum submitted to you by the Traders' Deputation on 8-8-55 at Madras.
(4) Our letter to you dated 19-9-55 requesting the Government to expedite their decision on the traders' representation.
(5) Our further reminder to you dated 28-10-55

***

We write to invite a reference once again to the correspondence resting with our letter to you dated 28-10-1955 on the subject of repeal of the Government notifications applying the Madras Commercial Crops Markets Act, 1933 to South Kanara in respect of Arecanuts, Coconuts and Copra. It is now over 6 months since the matter was placed before the Government for appropriate relief to the trade but still we have had no response.

We request the Government once again to expedite their decision and we await your early favourable reply in the matter.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE.

Hon. Secretary.

Agre. (Agr IV).

Restore on file 23.2.56 & date (1)

Memo No. 14959 Agr IV/56-1 d 23.2.56

Sub:- Acts & Rules - MCEM. Act & Rules S Kanara Dt. - Enforcement - Representation for completion

Ref:- From the Hony. Secy., The Kanara Chamber of Commerce, Lr. d. 7/2/56 addressed to the Minister for Agre.

The Hon. Secy., The Kanara Chamber of Commerce, is referred to the Director of Agriculture, Madras, for a reply on the representations made by the Chamber on the above subject.

21/2/56.

23/2/56

CENTRAL DESPATCH BRANCH
Date 1956

The Hon. Secy., The Kanara Chamber of Commerce, Mangalore 1.

with reference to the D.A. in Contn. of Govt. Memo No. 69785 Agr IV/55-12 d. 27/1/56. He is requested to send a suitable reply to the petr.

21/2/56. pp 87-8 of (1).

# THE KANARA CHAMBER OF COMMERCE

P. O. BOX NO. 116 MANGALORE-1, (S. INDIA)

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

Date 29th February 1956.

18865

The Secretary to the Government of Madras,
Agriculture Department,
Fort St.George,
MADRAS.

SECRETARY TO GOVERNMENT
2-MAR 1956
THIRD ASSISTANT
AGRICULTURE DEPARTMENT

Sir,

Sub: ACTS AND RULES- Madras Commercial Crops Markets Act and Rules- South Kanara District- Enforcement- Traders Representation for exemption.

Ref: (1) From the traders of Mangalore, Memorandum dated 26-7-55 submitted to Hon'ble Minister for Agriculture, Madras.

(2) Subsequent correspondence resting with our letter dated 7-2-1956.

(3) Govt. Memorandum No.14959 A.IV/56-1 dated 23-2-1956.

We refer to the Government Memorandum last cited above, wherein we are required to refer to the Director of Agriculture, Madras for a reply on our representations.

2. The representations made by the Chamber were to the Government and it would only be fair and appropriate that the Government should reply to the Chamber direct, instead of asking us to refer to the Director of Agriculture for a reply. We trust you will appreciate this position and do the needful.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE,

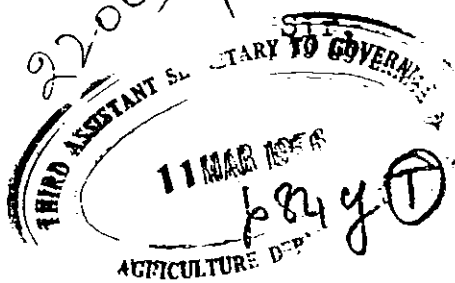
Hon. Secretary

AGRICULTURE DEPARTMENT.

From
Sri P.P.I. Vaidyanathan,
Bar-at-law, I.C.S.,
Director of Agriculture,
Chepauk, Madras.5.

To
The Secretary to Government,
Agriculture Department,
Fort St. George, Madras.

No C.1. 1415/55 dated 6th March 56.




22003

Sub: Acts and Rules - Madras Commercial Crops Markets Act & Rules - South Kanara Dt. - Enforcement representation for exemption.

Ref: Govt. Memorandum No. 14959 AN/56-1 Agri. Dept. dated 23/2/56.

...

I request that Government may be pleased to furnish me with a copy of the letter dated 7/2/56 from the Honorary Secretary, The Kanara Chamber of Commerce, Mangalore, referred to in the Government Memo cited for reference, as the same has not been received in this office.

(Sd) M. Obeidulla Shah
for Director of Agriculture.

(By order).

AI. 8/3.

9.3.56

Assistant Marketing Officer.

AGRICULTURE (A.IV) DEPARTMENT.

Letter No.18865 A.IV/56-1 Dated 19.3.56

To

The Hony. Secretary,
Kanara Chamber of Commerce,
P.O.Box No.116, Mangalore.

Sir,

Sub:- Committees - South Kanara Market Committee - Enforcement of M.C.C.M. Act - Exemption - Representation.

Ref:- From the Kanara Chamber of Commerce, letter dated 29-2-56.

---

I am directed to state that the Govt. regret that they are ~~not in a position~~ unable to comply with the request of your Chamber for the exclusion of South Kanara District from the purview of the M.C.C.M. Act or to grant exemption under the Act in regard to the 'Chali' variety of arecanut. The D.A., Madras, has, however, been asked to contact the traders and seek their cooperation in working the Act ~~for a year or two and that if difficulties are encountered or hardships are involved in complying with the provisions of the M.C.C.M. Act, they can come up to Govt. with specific suggestions for the consideration of the Government.~~

Copy to the D.A. (with encls)
(copy of pp.83 c.f and nil c.f.)

for (A IV) 844

Sub:- Committees - South Kanara Market Committee, Mangalore - Exclusion from the purview of the M.C.M. Act - Representation.

Ref:- from the Kanara Chamber of Commerce dated: 27/7/55.

Extract of minutes of M(A) on p. 1 c.

Secy. Agri:-

May be acknowledged and examined. 8th August 1-30 PM. may be fixed for the interview.

M. Bhaktavatsalam,
29/7/55.

p. 1 c

To As.

Please see the letter on p. 1 c. from the Kanara Chamber of Commerce, the Memorandum on pp. 3-15 c. and the minutes of M(A) extract above.

2. After putting forth their arguments for rescinding the notifns. applying the provisions of the M.C.C.M. Act & Rules etc., in the South Kanara Dt., the petitioners in their Memorandum have requested for permission to wait in deputation on M(A) to explain their grievances in person. They have also made a request that the Hd. of Dept. (Vety. D.A.) may be asked to be present at the time M(A) receives the deputation.

p 3 to 14 c

K p 11 c

A

3. M(A) has fixed 1.30 PM. on 8/8/55 as the time of the interview with the petitioners. It is submitted that M(A) will be in Villupuram on 7/8/55 to preside over the Conference of the Chairmen of Market Committees there. As there is time to return to Hd. qrs. after this Conference, there will not be any clash with M(A)'s interview with the deputationists from South Kanara Dt. at 1.30 PM. on 8/8/55.

← above

→ 6/14/7/55

4. With reference to the minutes of M(A) extracted

above, a draft letter to the Kanara Chamber of Commerce is subd. for approval. It is also for consideration whether as suggested by the Chamber the Hd. of Dept. (ie. the D.A.) will be asked to be present during M(A's) interview with the deputationists from S. Kanara Dt. Subject to orders, a draft D.O. to the D.A. is also subd. for consideration (after issue, the case will be subd. with a note on the points raised for the use of M(A) during the interview on 8/8/55).

2/8/55

2.8.55

SR
2/8/55

B

Draft returned after issue
2/8/55

Put up
Send
Draft
in
Send
2

Put up

19

NOTE FOR CIRCULATION.

The case relates to the question for the restoration of the status quo ante in the South Kanara District which existed prior to the enforcement of the provisions of the Madras Commercial Crops Markets Act to that district. This subject will be discussed with M(A) by the deputationists from Mangalore at 1.30 P.M. on 8.8.1955. The D.A. has also been asked to be present at the discussion.

representation made by S. Kanara Chamber of Commerce

cf. pp. 17-18 cf

2. A brief history on the case leading to the present demand for repealing the notifications enforcing the provisions of M.C.C.M.Act to South Kanara District is given below:

On 1.11.1949 the entire South Kanara district was declared a notified area under section 4 of the M.C.C.M.Act in respect of regulation of trade in the commercial crops of Coconuts and arecanuts. The Government consituted in July, 1950 a committee of 12 members for enforcing the provisions of the Act in the notified area. This Committee framed byelaws which were approved by the D.A. on 28.5.1951, from which date

verified from orgl pp in Go Ms No 2962 Agri dt 29/9/54 - published in a Gazette

the Committee began its executive functions. All the dues to the Committee were collected from this date. Almost all the traders in the notified crops registered themselves and took out the necessary licences but delayed payment of the fee under section 11. Persuasion failed and the defaulters were prosecuted in 1952 before the Sub-Divisional Magistrate who convicted the accused. Thereafter the accused prefered an appeal to the District Court which in its judgment delivered early in 1953 acquitted the accused mainly for want of sufficient proof that the notifications constituting the Committee were published in all the modes specified in the rules. The result was that the Constitution of the Committee was held to be invalid. Legislation was passed in September 1954 to rectify the defect with retrospective effect and the Committee resumed its activities. It is reported that since passing the legislation referred to, a fairly good progress was achieved by the Committee in its work though opposition from a section of the traders continued The Committee again filed prosecutions against four arecanut dealers before the Judicial Magistrate, Mangalore. When this case was taken up on 15.1.1955, a writ petition was filed by the accused in the Madras High Court and it is reported that an interim stay was ordered by the High Court on the proceedings before the Judicial Magistrate. The writ petition has not yet come up for hearing before the High Court.

3. The main contention urged in the writ petition is that the restrictions imposed by the M.C.C.M.Act, the rules and the byelaws interfere with inter-State Trade and Commerce and are therefore repugnant to the Constitution. In the present petition signed by 25 traders, a request has been made for repealing the notifications enforcing the provisions of M.C.C.M.Act to the South Kanara District. The following grounds have been adduced in support of the request:

(i) That marketing of coconuts and arecanuts is being carried on in the district in a most ~~un~~ satisfactory manner even without imposing the

provisions of the Act;

(ii) That the growers are of the view that the scheme of regulated markets is not an improvement on the existing methods but an unwarranted interference by the Government;

(iii) That protests were made in the past against the application of the M.C.C.M.Act to the South Kanara district;

(iv) That the objects of the marketing legislation viz. ensuring correct weight, payment of reasonable price to the grower etc.are achieved by regulating the market practices to suit their requirements;

(v) That the restrictions imposed on the trade by the Act causes inconvenience and hardship and involves them in heavy expenses and disclosure of information detrimental to their interests;

(vi) That it is evident that the Market Committee has not been patronised by the growers as only a quantity of 900 cwts.out of a total production of 2,00,000 cwts.is attracted to the market yards of the Committee;

(vii) That the validity of the several provisions of the Act is highly doubtful and have been challenged in Courts of Law;

4. First and foremost, it may be stated that in its judgement delivered in July, 1953, the Madras High Court held the M.C.C.M.Act as a valid ~~price~~ piece of marketing legislation except for one or two matters of detail which were declared as ultrawires. These have been rectified by Madras Act XXVI of 1954. The High Court, however, observed that the fee under section 11 was in the nature of a tax and that it was for no services rendered. A decision on the validity of section 11 was not pronounced by the High Court as it did not directly arise for determination in the proceedings before them. Based on this observation of the High Court, the D.M.Coimbatore, in a judgement delivered in April, 1954 declared the levy

p.t.o.

under section 11 as illegal in certain prosecutions filed by the Coimbatore Market Committee. An appeal is now pending before the High Court against the decision of the D.M., Coimbatore. On the advice of the Advocate General, proposals for legislation are now under way for placing the legality of the levy under section 11 beyond doubt.

5. Appeals to the Supreme Court against the judgement of the Madras High Court (ie holding MCCM Acts a Valid piece of Legislation) referred to are expected to be filed by merchants from Virudhunagar and Koilpatti after the reopening of the Supreme Court at the end of this month. The State Governments of Andhra, Madhya Pradesh, Mysore and the Central Government have agreed to intervene in the case in support of the Marketing legislation of this State. A writ petition filed by the South Kanara merchants is pending as already stated. These cases will decide the validity or otherwise of the M.C.C.M.Act.

6. The other aspect of the case is the need or otherwise for introducing the scheme of regulated markets purely as a beneficient measure. The Marketing legislation of this State is the result of the recommendation of the Royal Commission on Agriculture, 1928 which found that the markets for commercial crops were in a disorganised state. Recently the Planning Commission also laid stress on the need for organised marketing of agricultural produce. The Spices Enquiry Committee has suggested the setting up of regulated markets for spices like pepper, cardamom, ginger etc. Marketing legislation exists in the States of Bombay, Madhya Pradesh, Mysore Andhra, Hyderabad, Madhya Bharath, Punjab and Pepsu.

7. The question for consideration is when all the States and the Centre are vitally interested in extending the benefits of this measure, it would be desirable to concede the request of the petitioners to withdraw the regulation in respect of South Kanara district alone. This is against the policy of the Government. Further, the legality of the Act is now the subject matter of 3 suits, 2 pending in High Court and

one in Supreme Court and action is being simultaneously taken to place the validity of the levy under section 11 beyond any legal doubt. In the midst of these things, it is not possible to examine the issues now raised by the petitioners as they are sub-judice. The main request viz.withdrawal of the M.C.C.M.Act need not be considered.

8. But it appears that it is open to the Govt.to consider any genuine grivances or difficulties ~~which may be complied with~~ within the existing frame work. For this purpose, the remarks of the D.A.and the Collector of South Kanara are necessary. Due to lack of time they ~~have~~ could not ~~been~~ be consulted. However, the petitioners may explain certain things in person to M(A) at the deputation at which the D.A.has been asked to be present.

9. In the circumstances, it is for consideration whether the petition should be examined and if so whether the remarks of the D.A.and the Collector of South Kanara will be called for after the deputation meets M(A) on 8.8.1955.

10. The above note may now be circulated to M(A) for use during the interview which the deputationists will be having with him at 1.30 P.M. on 8.8.1955.

5/8/55.

S Venkata Raman
DS 5/8/55

N Mungara
DS 5/8/55

M(A)

M/A)

M Ramakrishnan
8/8/55.

SECRETARY
9 - AUG 1955
AGRICULTURE DEPARTMENT

Q. for orders
5/8/55

Pp. 17-18 ~~ground~~ noted.

~~70097~~
69785/55

(Memorandum presented to the Hon'ble Minister for Agre. on 8.8.55 by certain merchants from Mangalore.)

Extract of minutes of M(A) on p.19 c.f.

Secretary, Agre.

This request relates to the exemption of this variety, "chol arecanut" from Mangalore. May be examined and put up. The D.A. was present. The remarks of the Collector and the D.A. may be called for.

M.Bhaktavatsalam, 8.8.55.

To A.S.

The Memorandum on pp.19-21 c.f., together with the minutes of M( A) extracted above, may be perused. With reference to 'A' above, a draft D.O. to the D.A. is submitted for approval.

(Issued as D.O. No. 69785 Agr/55-3 dt. 11/8/55)
(From the South Kanara Merchants, petition dt.
(Issued as Endt. No. 69785 A IV/55-4 dt. ...
(From Sri K.S. Shenoy & others Memorandum dt. 20/8/55)

To AS.

The Memorandum on pp. 27-33 cf. from certain members of the South Kanara Chamber of Commerce may be perused. This Memorandum is almost the same as the one on pp. 3-11 cf. recd. earlier except for slight changes here and there. It does not appear necy. to forward it to the DA. in Continuation as the substance of the Memorandum is the same viz. withdrawing the enforcement of the MCEA Act in S. Kanara Dt.

The DA.'s ~~Report~~ remarks called for in the D.O. on p. 23 cf. may be awaited till 4th

6)785 AIV/55

[From the Secy. to the S. Kanara & Coorg Areca Growers Union, No. F-7/38 d. 24-8-55] pp 35-41 c/r

20 A.S.

Ol. see the letter from the Secy, the S. Kanara & Coorg Areca growers union together with its enclosures at pp 35-41 cf. A copy of this may be communicated to the D.A. and the collector of S. Kanara in continuation of the Endt on p 25 cf. and the D.A. may be asked to expedite his remarks in the matter in consultation with the collector of S. Kanara.

Subject to orders, a draft memo is submitted below for approval

Sd/-
5/9/57

5-9-57

[Issued as Memo No. 6)785 AIV/55-5. dated 9-9-57] p 43 cf

[Forwarded D.A. No. C1-1444/57 dated 22-9-57] p 47 cf.

20 A.S. Ol. see the letter from the D.A. together with its enclosures at pp 43-47 cf. The collector of S. Kanara has also sent his views in the matter. Perusal of these views shows that some of the representations made by the various associations and persons

Jpara 2 on p 45 c/r
x p 47 cf

representing the interests of trade in S. Kanara Dt. deserve any consideration for the following reasons

i) the petitioners who represent only vested interests in the trade, have not given a chance for the working of the Act in the district;

(OP.C no 947 of)

ii) Most of the traders on whose behalf the petitions have been submitted, are not averse to exploiting the weakness of the producer seller's in agriculture in many ways and if left unchecked, they will exploit the weak seller and try evade taxes;

iii) Some of the leading traders of S. Kanara have already gone to the High Court challenging the validity of the K.T.C.M. Act and the case is pending; and

iv) there is no special need to be going into each and every one of the petitioners arguments from diverse sources engineered by a single agency.

3. The P.P. has suggested that the traders of S. Kanara Dt. may be invited to work the Act and asked to come forward with practical difficulties if any, for

(A on p 47 of)

amelioration, after a period of a year or two. The D.A.'s suggestion may perhaps be accepted (Cf. see Dy. Secy's remarks at 'A' in ¶ 6 above) for orders.

4. In their petition at pp 1 & 11 of., the defendants from Mangalore have made a request inter alia that 'chali Arecanuts' (dried Arecanuts) may be exempted from the scope of the M.C.C.M. Act as it is produced exclusively for the purpose of export to Bombay and other states in Northern India and as it is not consumed in S. Kanara or any other part of Madras State. M. (Agri) has ordered that this request may be examined and put up to him. Neither the collector, nor the D.A. has offered any specific remarks on this request. The Secretary of the S. Kanara Market committee has however stated in his report at p 52 of the collector, that the statement of the petitioners, viz, that the 'chali arecanuts' are not consumed in any part of the Madras State, is not correct, as 'chali arecanuts are purchased by a number of

A
SM
5/10/55

¶ 18 of.

(Cf. see extract at 'A' in ¶ 3 above)

X on p 52 of

dealers from S. India and Malabar dts. the request of the petitioners for exempting 'chali Arecanuts' from the scope of the M.C.C Act may i. perhaps be turned down on the ground explained by the Secretary of the S. Kanara Market Committee. For orders.

After orders are passed, a note for circulation will be submitted

8/
2-10-55

4/10/55

A 5/11/D.S

A on p 10 above: may be appd. Para 4 on pp 10-11 above. The mere fact that the Commodity is being exported or is not Consumed in the State Cannot be a valid ground for exempting the Commodity from the purview of the Act. If buying & Selling takes place within the notified area the Commodity shd as other Commodities Come within the purview of the Act & should be subject to all the rules & regulations. The D Ag's & C's remarks may be specifically obtained in this before taking a decision

cc

5/10/55

DS

617 Adv.

20.10.55.

Orders on file above.

A draft memo is submitted below for approval.

9.10.55

10.10.55

SR
10/10/55

[Issued as Memo No. 69785 Adv/55-7 d. 11.10.55. pp 57-58]

[From the collector of S. Kanara No. L.D.S. 28383/55 d. 20.9.55] pp 55

D.O.A.S.

Pl. see the copies of the letter from the collector of S. Kanara at p 5 cf with ref: to the memo at pp 57-58 cf, addressed to the Govt. thro' the D.A. Madras.

The D.A's remarks may be awaited till 15.11.55.

A

12.10.55

27.10.55

SR
29/10/55

[From the Secy. the Kanara chamber of commerce, No. Nil d. 28.x.55] p 61

D.O.A.S.

Pl. see the reminder from the Secy. Kanara chamber of commerce at p 61 cf.

The D.A's remarks on the

letter of the collector of S. Kanara on the subject have not yet been received. They may be awaited till 15.11.55 as already ordered at A on p 12 above.

5/11/55

In the meanwhile the petitioner may perhaps be informed that the matter is still under the consideration of the Govt. and that a

Subject to orders, a draft letter is submitted below for approval

5/11/55

3.11.55

3.11.55

Ill/I.S.

(Recd as in p 61 ante)

7 DS 18/11/55

pp 63-64 ante (Issued as Lr. No. 69705 A III/55-3 dt. 21.11.55)

p 67 ante (From the D. R. No. C 1.1415/55 dt. 11-11-55)

20 A.S.

Recd the D. R.'s letter together with its enclosures at pp 67-75 ante. No reference has been made in this letter to the Govt. Memo dt. 11.10.55 at pp 57-58 ante.

6994 A-IV/55

and the letter from the collector
of S. Kanara d. 20.10.55 at p 59 of.
submitted by the govt. thro' the
D. A. Madras with reg: to his
memo regarding the exemp-
tion of "chali Arecanut"
from the scope of the M.C.C.
Act. The D. A. may be asked
to expedite his specific
remarks on this matter.

Subject to orders, a
draft memo is submitted
below for approval.

Sn
23.11.55
24.11.1955

24/11/55

AGRICULTURE (A.IV) DEPARTMENT.

(From the D.A.No.C.1.1415-55 dated 21--12-1955)

The case relates to the representations made mainly by certain traders interests in the South Kanara District seeking the removal of the enforcement of the provisions of the Madras Commercial Crops Markets Act and Rules in the South Kanara District or to remove a particular type of arecanut called "chali" arecanut from the scope of the said Act and Rules in that Dt.

✓ Mp-1-15, 19-4, 25-4 of

of M, p 11 of minutes of M(A), p 19 of

2. The representatives of the traders interests waited in a deputation on M (A) on 8-8-1955. In the

✓ Typed notes of mp 2-6 above

typed notes on pp.2-6 above circulated to M (A) for receiving the deputation the question of excluding South Kanara District from the scope of the Act was examined in detail and there was no case for complying with the request of the petitioners for a total exemption ~~or~~ for the entire district. At the ~~deputation~~ Meeting, the representatives submitted another Memorandum to M (A) in person in which they have sought the exclusion of "chak" arecanuts alone from the operation of the M.C.C.M. Act. The request for total exemption and the exclusion of chali arecanuts alone from the operation of the M.C.C.M. Act were both considered in consultation with the Market Committee, the Collector of South Kanara and the Director of Agriculture. All of them are agreed that there is no need to meet the request either for total exemption or for exclusion of chali arecanut from the purview of the Act. The Collector of South Kanara is finally of the view that the Act has to be enforced for some time to come to see how it works. The D.A. has suggested that the traders of South Kanara District may be invited to work the Act and asked to come forward with practical difficulties, if any, for amelioration after a period of a year or two.

Since ~~the~~ M (A) received the deputation, ~~proposals were received~~ from the Govt of India for notifying foodgrains under the M.C.C.M. Act. The I.C.A.R. has suggested the enforcement of Marketing legislation in respect of lemongrass oil. The Conference on Marketing and Co-operation convened by the Government of India at Hyderabad in November 1955, while recommending a phased programme for extending regulation to all important markets has made the following recommendations:-

(1) That the objective should be to cover all important market centres so far not regulated by the

end of the Second Five Year Plan and that a phased programme be prepared in this regard by the States which have not already done so. The States where such legislation is not promulgated should also fall in line with the rest of the States.

(Action - State Governments)

(2) That the Regulated Markets Acts be extended to all important agricultural commodities and live-stock and its products where this has not been done so far.

(Action - State Governments)

(3) That in view of the proved advantages of the regulated markets, municipal and other markets controlled by the local bodies be brought under the regulatory orbit.

(Action - State Governments)

A proposal has been recently submitted by the Director of Agriculture for setting up of an Expert Committee to review the progress of regulated markets in this State and to amplify its scope so as to make it applicable to all Agricultural commodities.

In the midst of these proposals for a wider application of the Act, it would be a retrograde step to comply with any request for withdrawal of regulated markets from any area or in respect of any commodity where the Act is already in force.

There was also a similar agitation from tobacco interests in Coimbatore District for exclusion of the regulation in respect of tobacco from the purview of the Act. The Government did not agree to this request. But certain grievances of petty dealers were examined and the rates of licence fees were reduced to ensure a more successful working of the Act. At the sametime the Government also directed that the working of the

p.t.o..

1279

Act in Coimbatore in respect of tobacco should be reviewed after a year.

In respect of South Kanara District there has so far been no occasion to examine any grievances as the main request is to do away with the Act. Further the Collector and the D.A. want the enforcement of the Act for some time to come before considering the question of affording any relief within the existing framework. Considering the fact that the Committee has had a chequered career for the past 4 years, the regulated markets in South Kanara District have not had a reasonable chance of serving the interests of the traders and the growers. While the repeal of the regulation may serve the immediate selfish interests of a few traders, the regulated markets will ultimately prove to be necessary in the larger interests of both the traders and growers.

In the circumstances, it is for consideration whether the recommendation of the D.A. to invite the traders to work the Act and to come forward with practical difficulties for amelioration will be accepted.

A above may be accepted

Sd/ M(A)

SECRETARY
19 JAN 1956
REVENUE DEPARTMENT

M(A) M. Bhaktavatsalam 18/1/56

18

J. As.

Orders in circulation on p. 17 ~~of~~ above.

A draft Memo. to the D.A. is Subd.. for approval.

25/1/56.

20.1.56.

SVR 21/1/56

25/1/56

AS

PP81-82 Cf

(Issued as Memo. 69785 AIV/[illegible]-D

Agrd 27-1-56.

in Agre. (A.T.)

Sub:- Committees - South Kanara Market Committee - Enforcement of MCEM. Act - Representation of the Kanara Chamber of commerce

Ref:- From the Kanara Chamber of Commerce Lr. No. nil dt. 28/2/62.

Jo As

In its letter read above, the Kanara Chamber of Commerce requests a direct reply on its representations relating to the exemption of the "Chali" variety of arecanuts from the purview of the MCEM. Act, instead of being referred to the D.A. The reason for this request is that the Chamber made a representation direct to the Govt. & that it shd. receive a reply also direct from Govt.

2. The representations previously made by the Chamber have been examined in consultation with the Collr. of S. Kanara & the D.A. & final orders passed on the request made by the chamber - vide Memo. nopp. 81-82 of (T) & the notes & orders in circulation nopp. 14-17 nf of (T), the Chamber was referred to the D.A for a reply on its representations. It now wants a reply direct from the Govt.

3. It is subd. that w.r.t. the representations made by the Virudunagar merchants, the pets. were referred to the D.A. for orders on the

representations. Based on this, the Kanara Chamber of Commerce was also similarly referred to the D.A. for a reply on its representations.

4. The Govt. cannot be expected to enter into direct correspondence with individuals & private bodies in a detailed way though in certain rare cases it may be necessary to send a direct reply. Even in the present case a reply has been sent. This may be considered as the final reply & the request of the Chamber demanding a direct reply, it appears, need not be complied with. If so, it is for orders whether the petition & reply may be ignored or whether any further reply is necessary.

5/8/36.

6/8/36

We may tell the Chamber that Govt. are not able to comply with their request & that the D.A. has been asked to instruct the Committee to Contact the Collector & seek their co-operation in working the Scheme which, it is hoped, will be completed in a year or two. Govt. have come up against considerable difficulties & hardships involved in the scheme.

5/8/36

6/8/36

11/8/36

D.S.

Put up with draft reply

(T)

P 3 cf (From the D.A No. 31/415/55 d. 6/8/56).

To As.

The letter from the D.A mp. 3cf. together with the orders mp. 2 above may be perused.

2. A draft letter Memo. to the Kamaraj Chambers with copy to D.A (with neg encls) is subd. for approval.

12/8/56.

13/8/56

14/8/56

15

15/8/56

Draft Memo to Kamaraj Chambers with copy to D.A (with neg encls) is subd for approval.

14/8/56.

13/8/56